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ABSTRACT

Developed for the United Way of America by a volunteer group of top experts from corporations, foundations, consulting firms, and government, this report predicts trends in the economy, the society, the world, and the environment for the next 10 or more years. The report depicts the most likely scenario to come in the years ahead. The future is discussed in the following areas: (1) social trends; (2) economic trends; (3) regional trends; (4) political trends; (5) technological trends; and (6) trends in philanthropy. It also provides an analysis of two special trends (children's health and self-sufficiency) and suggests additional resources available through United Way. Trends are illustrated through line drawings and graphs. (KC)

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WHAT LIES AHEAD:

COUNTDOWN TO THE 21ST CENTURY

United Way of America

United Way Strategic Institute
701 North Fairfax Street, Alexandria, Virginia 22314-2045

This issue of *What Lies Ahead* is dedicated to the memory of Dennis Little, a founding member of United Way of America's Environmental Scan Committee. Dennis, who was in the Office of Strategic Planning for the Social Security Administration, passed away on September 4, 1989. A frequent contributor of forecasts and analysis, a tutor to all of us who try to look ahead, a gentleman, a scholar, and a terrific volunteer—Dennis will be sorely missed. His memory and teaching will continue for those of us who were blessed to have known him.

George Wilkinson

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FOREWORD

What Lies Ahead: Countdown to the 21st Century is the fifth in a continuing series of United Way of America environmental scans on the dynamics of United Way's business environment throughout the nation.

This publication was developed by United Way of America's Environmental Scan Committee. This volunteer group consists of top experts from corporations, foundations, consulting firms, and government. The result of their efforts is a report that is both wide-ranging and germane to local United Way organizations.

Reports such as this one—and the hundreds of localized versions prepared by United Ways around the country—help us to focus our vision on the challenges that lie ahead and to develop plans to meet them.

We are grateful to Alfred F. Lynch, Director of Planning and Research for JCPenney Company, Inc., for his leadership of the Environmental Scan Committee and to the members of the committee, who have given so generously of their time and talent.

We are pleased to present this report and trust you will find it useful.

William Aramony

William Aramony
President

INTRODUCTION

What Lies Ahead: Countdown to the 21st Century continues an effort begun in 1980 to alert United Way volunteers and professionals to important changes in United Way's business environment. The Environmental Scan Committee that prepared this report has studied developments in the social, economic, technological, and political arenas, as well as in the field of philanthropy, and has reported on those developments that the Committee believes present the greatest challenges and opportunities for United Ways and other health and human-care organizations. Committee members and United Way of America staff relied on the print and broadcast media—including popular, government, think tank, and academic resources—and on the committee's combined experience in business, medicine, philanthropy, and forecasting.

This report depicts the most likely scenario we can expect to face in the years ahead. It is not intended—and should not be taken—as a guarantee of what the future will bring. Nine years of preparing reports such as this one have taught us that change is unpredictable. However, the difficulty of looking ahead with certainty should not stop our readers from studying this report and using its findings for informed decision making in their own organizations.

Our committee is deeply grateful for the work provided by United Way of America staff. Special thanks are extended to Lu Anne Fischman and Susan Kuhn, who staff the Environmental Analysis Department, and to Dr. George Wilkinson, vice-president and senior fellow, United Way Strategic Institute, who has directed environmental scan efforts since 1980. We also thank the representatives of national human-service agencies who reviewed a draft of the document.

Those of us who helped create *What Lies Ahead* invite readers to respond to its contents. We have enclosed a postcard for your comments, opinions, and suggestions. We welcome and appreciate your response.

Alfred F. Lynch

Alfred F. Lynch
Chairman, Environmental Scan Committee

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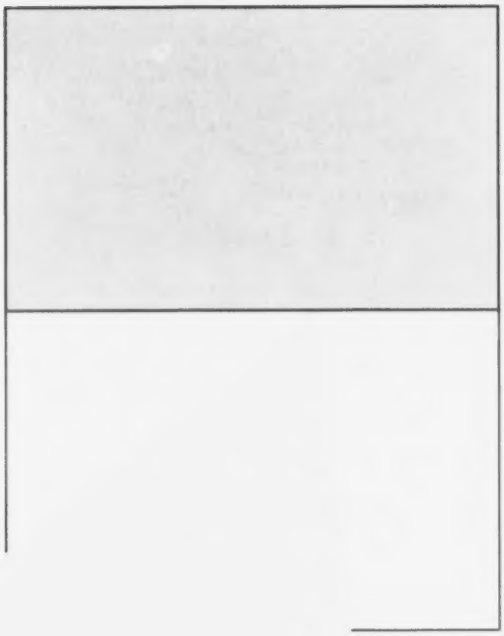


CHANGEDRIVERS

CHANGEDRIVERS: NINE LEADING FORCES RESHAPING AMERICAN SOCIETY

The United States enters the final decade of the 20th century in the midst of a profound restructuring involving the economy, society, institutions, and even individual life-styles. United Way of America's Environmental Scan Committee expects this restructuring to move at an even faster pace during the 1990s, and has identified nine major changedrivers, or lines along which it is proceeding. Some of the changedrivers are forces which will be quite disruptive; at the same time, many of the changedrivers offer opportunities to strengthen America's social and economic fabric.

The Committee specified the nine changedrivers after lengthy discussion about social, economic, political, technological, and philanthropic trends. What emerged from the discussion are more than 100 specific planning assumptions for the 1990s centered around the nine changedrivers.

This list of changedrivers represents the Committee's best collective judgment of the key developments likely to affect American society during the 1990s. Although the future is in many respects unknowable, and the exact impact of these changedrivers uncertain, the Committee believes that, taken together, they convey an accurate picture of the foreseeable features of the 1990s.

Following the description of each changedriver is a listing of the planning assumptions agreed upon by the Committee which together comprise the larger changedriver. Planning assumptions which are new or more visible since the last edition of *What Lies Ahead* appear in boldface. Each of these planning assumptions is discussed in detail in the main body of *What Lies Ahead*.

- ☐ The Maturation of America
- ☐ The Mosaic Society
- ☐ Redefinition of Individual and Societal Roles
- ☐ The Information-Based Economy
- ☐ Globalization
- ☐ Economic Restructuring
- ☐ Personal and Environmental Health
- ☐ Family and Home Redefined
- ☐ Rebirth of Social Issues

The Maturation of America

This trend starts with the maturing of the baby boom generation as these individuals move into their prime family-, household-, and asset-formation phase. It also includes trends pertaining to the "graying of America"—the growth of the age-65-and-over population, a more active, more affluent group than existed in previous generations. Accompanying the aging of the population is the related psychological phenomenon of a maturing and increasing sophistication of tastes. The U.S. is leaving an era obsessed with youth, and moving into one that will be more realistic, more responsible, and more tolerant of diversity.

Social

- ☐ Continued slowdown in growth of U.S. population.
- ☐ U.S. population to continue to grow older, as the median age of the population continues to rise.
- ☐ Continued decline in the proportion of children in U.S. population.
- ☐ Decline in the proportion of young adults in U.S. population.
- ☐ Sharp increase in the proportion of middle-aged Americans (aged 35 to 54) in the 1990s.
- ☐ Proportion of persons aged 65 to 74 to remain stable through 2005.
- ☐ **Dramatic increase in the proportion of Americans over age 75.**
- ☐ **Baby boomlet to slow in the mid-1990s.**
- ☐ **Colleges and universities to increasingly recruit older Americans (aged 65 and older) as students.**
- ☐ **College student populations to continue to age.**

Economic

- ☐ A better-educated labor force to be necessary to increase U.S. economic productivity.
- ☐ **A new corporate "elite," and the highly educated "gold collar" knowledge worker, to emerge.**
- ☐ The median income of families to continue to grow.
- ☐ **The savings rate to increase.**
- ☐ The labor force to continue to grow older and more experienced.
- ☐ **Business to increasingly offer older workers and retirees flexible work schedules and retirement options in an effort to reverse the trend toward early retirement.**
- ☐ More middle-aged workers to start their own firms as they find opportunities for promotion limited.

Political

- ☐ **Political activism to be more pragmatic and measured, reflecting the aging of society.**

Technological

- ☐ Research to discover more ways to ease the effects of aging.

The Mosaic Society

Rising levels of education, increased ethnic diversity, a growing population of elderly individuals, more single-person households, and other diversity-related trends are moving American society away from "mass society" toward a "mosaic society." Technology is enabling products to be customized for each of the parts of the

mosaic, further reinforcing their distinctive identities. Alvin Toffler, author of *Future Shock*, refers to this phenomenon as "demassification." The mosaic, however, is not static; rather, it is similar to an ever-changing kaleidoscope.

Social

- ☐ **Growth of U.S. population to be increasingly dependent upon immigration.**
- ☐ Continued increase in number of legal and illegal immigrants entering the U.S.
- ☐ Continued greater proportional growth of minorities.
- ☐ **Immigrant populations to increasingly affect American classrooms.**
- ☐ **Use of alternative educational options, such as year-round schools and magnet schools, to continue rising.**
- ☐ **School systems to increasingly use alternative methods of teacher certification to alleviate teacher shortage.**

Economic

- ☐ The mass market to remain fragmented into market niches that reflect the increasing diversity of the U.S. population.
- ☐ Business to increasingly operate through networks—rather than to be consolidated under one roof—to produce a growing range of products and services.
- ☐ **Both the very large (multinational) and the very small (niche) firms to add substantial employment in the 1990s; mid-sized firms to grow less quickly.**
- ☐ Income inequality among families to increase, with two-income households gaining and single-parent households falling behind.
- ☐ **The growth of an urban, minority underclass, whose situation is not improved by general economic growth, to continue.**
- ☐ **The labor force to be increasingly multicultural and multilingual.**
- ☐ Slowing growth of women's labor force participation rate.
- ☐ **Women's representation in top corporate positions to increase substantially.**
- ☐ Immigrants to constitute an increasing share of the labor force.
- ☐ **Greater availability of child care benefits and flexible hours expected in the workplace.**
- ☐ The number of temporary employees and home workers to increase.
- ☐ **Workers to have more choice in their benefits, but also to bear an increasing share of benefit costs.**

Political

- ☐ **Decentralization of government to continue, but at a slower pace.**
- ☐ Increased growth (in numbers and influence) of special-interest groups.
- ☐ **Asians, Blacks, and Hispanics to seek greater political influence commensurate with their growing share of the U.S. population.**

Technological

- ☐ **Advances in information technology to enable individuals to obtain products, services, publications, and information which are more narrowly targeted at their particular ethnic characteristics, economic status, and personal preferences.**

Redefinition of Individual and Societal Roles

There will be a blurring of the boundaries which have traditionally defined the roles of the public sector versus the private sector, as well as those which have set the boundaries of individual versus institutional responsibilities.

Public Sector versus Private Sector

The impetus for redefinition of public-sector and private-sector roles is coming from both sides. The federal budget deficit will continue to constrain federal action on social problems, and both the federal and state governments are contracting with private-sector firms to perform many functions which have traditionally been carried out by government. At the same time, business is more directly involved in social issues (such as education, illiteracy, substance abuse, and AIDS), becoming a major player in an arena once dominated by government and the voluntary sector.

Economic

- ☐ **Blurring of traditional roles of government and business as business spending on social-problem initiatives increases.**

Political

- ☐ Private sector to continue to perform, on a contract basis, services formerly carried out by government.
- ☐ Federal budget problems to increase the growth of private-sector alternatives to some federal programs.
- ☐ **Despite growing pressure to reduce the budget deficit, more government funding of some human services to occur.**
- ☐ **Selective re-regulation of certain industrial activities likely to occur.**
- ☐ **Pressure to further deregulate rapidly growing industries (such as telecommunications) likely to occur.**
- ☐ **State government influence on social issues to increase, and the federal government's influence to decline.**

Individual versus Institutional

Individuals are taking on a greater share of responsibility in many areas, and are relying less on large institutions. The growing emphasis on wellness activities is an example of the shift of responsibility for personal health away from doctors and hospitals and more toward the individual. Individuals are also taking on more responsibility for their employment and careers, exemplified by the growth of entrepreneurial activity, self-employment, and multiple careers. Individuals are less willing to wait for large institutions to provide opportunities, and more willing to act on their own.

Social

- ☐ **Wellness activities to become increasingly important in the life-styles of Americans.**
- ☐ **Rise in the practice of holistic medicine.**
- ☐ **Increased growth of self-help movement.**

Economic

- ☐ **Employees in large firms to have increased autonomy and discretion, and to be in closer contact with customers.**
- ☐ A new corporate "elite," the highly educated "gold collar" knowledge worker, to emerge.
- ☐ **Union membership to continue declining in most industries.**

Political

- ☐ More referenda to be held on a wider variety of issues.

Technological

- ☐ Concern about individual privacy to increase as more data are collected electronically.
- ☐ **Computer technology to increasingly allow very small firms to compete successfully with large ones.**

The Information-Based Economy

The spread of information and communications technology is creating an information-based economy, which is structured in a different way from the current industrial economy. The information-based economy and industrial economy are compared below. These two economic types have a complex relationship and can be expected to remain distinct, but mutually influencing, throughout the 1990s.

Economic

- ☐ Business to increasingly operate through networks—rather than to be consolidated under one roof—to produce a growing range of products and services.

Technological

- ☐ **Concern about the scientific literacy of the U.S. population to increase.**
- ☐ **Global leadership in science and technology to increasingly determine economic leadership.**
- ☐ **Increased use of information technology as a teaching and learning aid.**
- ☐ **A rapid "turn-over" rate in new technologies to continue.**
- ☐ The telephone to increasingly become the gateway to sophisticated communications services.
- ☐ **Video, audio, and data transmission to increasingly be integrated into a single, fiber-optic telephone system.**
- ☐ **"Mobile communications environment" to develop and be institutionalized as portable phones, facsimile machines, beepers, and computers make 24-hour accessibility possible.**
- ☐ **Faster personal computers and multitasking software to become pervasive in the early 1990s.**
- ☐ **Desktop and electronic publishing to become more important corporate communications technologies.**
- ☐ **Expert systems and artificial intelligence to become increasingly pervasive.**
- ☐ **Digital sketch pads, optical scanners, and voice recognition systems to gain increasing use as "keyboardless" data entry devices.**
- ☐ **Factory automation to experience renewed growth.**
- ☐ **In some urban areas, virtually every individual will have contact with computers in the home or workplace by the year 2000.**
- ☐ **"Low-tech" devices in the home (home computers, facsimile machines, VCRs, and similar equipment) to increase.**
- ☐ **Automation to increase the pressure on executive decision-makers to become more "hands-on" managers.**

	Industrial Economy	**Information-Based Economy**
Main Technology	Machine	Computer
Science	Mechanical	Bio-engineering
Main Goal	Material Wealth	Personal & Societal Development
Primary Output	Goods	Information
Strategic Resource	Capital	Knowledge
Organization	Hierarchy/Corporation	Hetararchy/Networks
Energy Source	Fossil Fuels	Human Intelligence
Primary Jobs	Laborer, Machinist	Entrepreneur, Knowledge Worker
Nature of Production	Mass Market	Tailored for Individual

(Adapted from *Worklife Visions*, 1987.)

- ☐ Electronic banking services to grow, particularly among small businesses.
- ☐ Cable television to offer more sophisticated features and draw an increasing audience share.
- ☐ Concern about individual privacy to increase as more data are collected electronically.
- ☐ **Information overload, and the degradation of the quality of information, to increasingly become issues.**
- ☐ Electronic gadgetry to quicken the pace of American life.
- ☐ **Technological "haves" and "have-nots" to develop in society.**
- ☐ **Concern to grow about the health effects of working at computer terminals, including stress, eye damage, and hand muscle problems.**
- ☐ **Mapping of the human genome to improve the ability to diagnose serious illness.**
- ☐ **Biology-based industries to grow in economic importance.**

Globalization

The movement of products, capital, technology, information—and ideas—around the world is continuing to increase. This is having several significant effects. (1) There is increasing foreign ownership of the U.S. industrial base, and a growing presence of U.S. firms in foreign countries. (2) The *relative* economic power of the United States is declining as other nations develop mature industrial economies. (3) U.S. consumers are experiencing more cultures through travel, imports, immigration, international organizations, and the media. An increasing globalization of tastes and ideas is occurring. (4) Americans are directing their volunteer time and their philanthropic dollars toward a range of global, as well as national, causes. (5) Meanwhile, foreign-owned firms are playing a growing role in American philanthropy.

Social

- ☐ **Growth of U.S. population to be increasingly dependent upon immigration.**
- ☐ Continued increase in the number of legal and illegal immigrants entering the U.S.

Economic

- ☐ **U.S. prosperity to be increasingly dependent on trade with, and the economic well-being of, other nations.**
- ☐ **Greater international competition for markets to occur.**
- ☐ Foreign investment and foreign trade to provide an increasing share of U.S. economic and employment growth.
- ☐ U.S. imports to exceed exports.
- ☐ **Resolving the Third World debt crisis to become increasingly important in sustaining world economic growth.**
- ☐ **Economic rather than military strength to increasingly determine which nations are considered "superpowers."**
- ☐ **Global environmental problems to be increasingly addressed on a multilateral basis.**
- ☐ **U.S. jobs and industries to face growing competition from nations with cheaper labor costs and increasingly skilled labor forces.**
- ☐ **Japan to assume a larger role in world economic and technological leadership.**
- ☐ **The Pacific Rim, the European Economic Community, and the United States and Canada probably to emerge as regional trading blocs.**
- ☐ **Relations between the United States and the Soviet Union to continue to improve.**
- ☐ **Multilateral coordination of the world's financial systems to improve.**
- ☐ **The sovereign power of individual nations to continue to be reduced because of increasing globalization of markets, communications, and finance.**

Political

- ☐ National political leadership to face the task of developing a political consensus on the U.S. role in a global economy that the United States no longer dominates.

Technological

- ☐ The U.S. lead in the global technology race may erode further, and is certain to be strongly challenged.
- ☐ **Global leadership in science and technology to increasingly determine economic leadership.**
- ☐ **In some urban areas, virtually every individual will have contact with computers in the home or workplace by the year 2000.**

Economic Restructuring

Global economic competition, deregulation, new information technologies, and diverse and changing consumer tastes are forcing an ongoing restructuring of American business. This is happening at many levels: (1) global economic activity is spread among more nations as newly industrializing countries (NICs) emerge as robust economies; (2) entire industries are being globalized and restructured as new entrants and new technologies change the rules of the game; (3) large corporations are cutting management layers and operating more like networks rather than hierarchies; (4) small firms are being created in unprecedented numbers; and (5) firms of all sizes are continuously reassessing their structure and offerings because market conditions are so volatile.

Social

- ☐ **Aging of population and growth of minority population to reshape consumer markets.**
- ☐ Population growth to continue to be concentrated in the South and the West, those regions where economic growth is strongest.

Economic

- ☐ Small firms to continue to create a significant share of new jobs.
- ☐ Growth to occur in number of self-employed; many to work at home using computers.
- ☐ **Both the very large (multinational) and the very small (niche) firms to add substantial employment in 1990s; mid-sized firms to grow less quickly.**
- ☐ Large firms to continue to reduce their management staffs and their management layers.

- ☐ **Business to increasingly operate through networks—rather than to be consolidated under one roof—to produce a growing range of products and services.**
- ☐ Manufacturing output to continue growing, but employment to fall.
- ☐ **American corporations to continue to streamline factory processes and pare management layers to increase productivity.**
- ☐ **Electric utilities to remain wary of making large investments in new generating capacity.**
- ☐ Family farms to recover somewhat from depression but to face increased international competition.

Technology

- ☐ **New industries which make use of advances in microelectronics and biology-based products to emerge.**
- ☐ **Factory automation to experience renewed growth.**
- ☐ **A rapid "turn-over" rate in new technologies to continue.**
- ☐ **Automation to increase the pressure on executive decision-makers to become more "hands-on" managers.**
- ☐ **Electronic banking services to grow, particularly among small businesses.**

Personal and Environmental Health

Quality-of-life issues, particularly the health of the individual and the state of the environment, are beginning to emerge as key areas of public concern. During the 1990s, there is likely to be a sharper public perception of issues such as the threat of global warming from the "greenhouse effect" and ozone depletion, and of the link between personal behavior and disease risk. Quality-of-life issues such as these tend to follow periods when economic growth has been strong, and tend also to be vulnerable to economic downturns.

Social

- ☐ Continued questioning of the quality of, and access to, the nation's health-care system.
- ☐ AIDS epidemic to become increasingly critical.
- ☐ High concern about substance abuse to continue.
- ☐ Interest in resolving the issue of provision of long-term care to grow.
- ☐ Issues involving medical ethics to become increasingly important.
- ☐ **Wellness activities to become increasingly important in the life-styles of Americans.**
- ☐ **Rise in the practice of holistic medicine to occur.**
- ☐ **Self-help movement to experience increased growth.**

Economic

- ☐ The increasing cost of environmental clean-up and the rising price and lessened availability of oil to be increasingly important long-term limiting factors for the U.S. economy.
- ☐ **The ozone depletion problem to persist for decades and to prove possibly insoluble.**
- ☐ **Within 10 to 20 years, without substantial reduction in carbon dioxide emissions, climactic changes from the greenhouse effect may significantly disrupt some regional economies.**
- ☐ **Global environmental problems to be increasingly addressed on a multilateral basis.**

Political

- ☐ **Growth to occur at neighborhood and community level of NIMBY (Not In My Back Yard) movement aimed at avoiding the burden of "public services" such as social-service facilities and waste disposal facilities.**

Technological

- ☐ **Potential abuse of medical technology such as genetic testing to become focus of increasing concern.**
- ☐ **Research regarding ways to ameliorate the effects of aging to increase.**
- ☐ **Concern to grow about the health effects of working at computer terminals, including stress, eye damage, and hand muscle problems.**
- ☐ **Mapping of the human genome to improve the ability to diagnose serious illness.**
- ☐ **Biology-based industries to grow in economic importance.**

Family and Home Redefined

Many functions that once were handled predominately by families—such as meal preparation and child care—are increasingly offered as services by commercial concerns such as restaurants and day-care centers. At the same time, activities formerly available only outside the home—such as shopping and viewing movies—have been brought into the home through videos and cable television. Information technologies bring consumer services such as shopping and banking into more homes and enable more Americans to work or run businesses from their homes. Meanwhile, the family has become a diverse institution, with many single-person households, single-parent families, and two-income families. In a rapidly changing, often chaotic outside world, the family will grow in importance as a stabilizing force. Yet, at the same time, the evident stresses on family life may make the family less able to fulfill its support-giving role without help from outside the family structure. Government assistance with child care is one example of such help.

Social

- ☐ Family households to continue to outnumber nonfamily households.
- ☐ **Slowing growth in number of single-person households.**
- ☐ **Slowing increase in number of childless married-couple households.**
- ☐ **Slowing—but still high—increase in number of male-headed single-parent families.**
- ☐ **Divorce rate to decline.**
- ☐ **Baby boomlet to slow in the mid-1990s.**
- ☐ Family violence (child, spouse, and elder abuse) to remain a critical problem.

Economic

- ☐ The median income of families to grow.
- ☐ Income inequality among families to increase, with two-income households gaining and single-parent households falling behind.
- ☐ Growth in number of self-employed; many to work at home using computers.

Political

- ☐ **National and/or state legislative action probable in the following areas: issues involving children, including child care and poor children; education; welfare reform; and long-term care.**

Technological

- ☐ **The availability of in-home computer-based services such as banking, shopping, and communications to change the role of the home in society.**
- ☐ **Information technology to permeate the barrier between work and home, producing an indeterminate work day.**
- ☐ **Electronic gadgetry to quicken the pace of American life.**
- ☐ **"Low-tech" devices in the home (home computers, facsimile machines, VCRs, and similar equipment) to increase.**
- ☐ **The telephone to increasingly become the gateway to sophisticated communications services.**

Rebirth of Social Activism

After a decade of concentration on business and economic growth, the public-agenda pendulum is swinging decisively in the direction of social concerns. Environmental degradation, deterioration of public infrastructure (such as roads and water-supply systems), pervasive homelessness, lack of affordable housing, racial tensions, and extensive child poverty are some of the issues which are gaining increased attention. Accompanying this shift is likely to be less tolerance for business actions which the public perceives as harmful to society, such as financial actions which harm the economy and pollution which threatens public health.

Social

- ☐ Family violence (child, spouse, and elder abuse) to remain a critical problem.
- ☐ **Rising violence by youth.**
- ☐ **Increasing concern about community safety and home security.**
- ☐ Slowing increase in U.S. prison population.
- ☐ High concern about substance abuse to continue.
- ☐ **Greater concern among Americans about issues which have a direct effect on their communities, such as AIDS, crime, drug abuse, and homelessness (as opposed to "national" issues).**

Economic

- ☐ The national poverty rate likely to increase.
- ☐ **The growth of an urban, minority underclass, whose situation is not improved by general economic growth, to continue.**
- ☐ The number of poor, single-parent households likely to increase.
- ☐ The number of homeless Americans to increase.

Political

- ☐ **A conservative mood, tempered by an increase in attention to social issues, to continue.**
- ☐ **More coalitions involving business, government, education, and the nonprofit sector to emerge to address social problems seen as beyond government's ability to address alone.**
- ☐ **Concern about business ethics to increase, including corporate responsibility to the environment and to the financial system as a whole.**
- ☐ **Asians, Blacks, and Hispanics to seek greater political influence commensurate with their growing share of the U.S. population.**
- ☐ **Environmental issues to gain greater prominence.**
- ☐ **Entrepreneurial activity directed at solving social problems to become more widespread.**
- ☐ **State government influence on social issues to increase, and the federal government's influence to decline.**

SELECTED KEY IMPLICATIONS FOR UNITED WAYS

Social

- ☐ Aging of America's population will require development of health and human-welfare services tailored to the special needs of the elderly.
- ☐ United Ways will need to devote increased attention and effort to developing an expanded role for minorities as volunteers and donors.
- ☐ United Ways and other nonprofits will need to assess the need for organizational changes—accomplished, for example, through revised or new policies, procedures, salaries and benefits—to accommodate an increasingly diverse work force.
- ☐ Supportive services for new immigrants will need to be maintained—and expanded, since high immigration is expected to continue—to ease the immigrants' cultural transition.
- ☐ As suburban areas continue to attract residents and businesses, the development of systems to coordinate the delivery of human services across geographical and political boundaries is likely to become necessary.
- ☐ Growth of single-person households, particularly among elderly women, will require programs to meet special needs such as transportation, shopping, and meals.
- ☐ Continued rise in single-parent households signals a continuing need for child care and other support programs.
- ☐ The dramatic rise in the number of single-parent households headed by men signals a growing need for support services aimed at situations unique to such households, including parenting skills for single fathers.
- ☐ Teenage pregnancy, particularly among unmarried teenagers, will remain a severe problem in many communities, requiring programs that focus on health care, family-life education, and family planning.
- ☐ The role of caregiver for dependents is becoming more complex, necessitating increasingly more services directed at family cohesion and support.
- ☐ Renewed emphasis on the values of family and community is likely to lead to an increase in volunteering. United Ways will need to exert additional efforts to utilize new volunteers efficiently and effectively, prepare them for their roles, and assist them as needed.
- ☐ Americans are increasingly concerned about issues that face their community, such as drug abuse, AIDS, environmental pollution, the quality of public education, and the plight of the homeless. United Ways must remain sensitive to such concerns and, when appropriate, seek solutions through leadership in community problem-solving efforts and communicate what is being done to respond to the issues.
- ☐ An understanding of generational values and attitudes will continue to be important in United Ways' work with donors, volunteers, business leaders, and employees.
- ☐ Religious organizations will likely continue to provide human services. United Ways will need to continue—and possibly expand—their working relationships with these organizations.
- ☐ Roman Catholic church closings, particularly in inner-city areas, will likely affect human-service delivery and will require United Ways to expand their role as community problem solvers and conveners in order to find solutions to any resulting deficit of human services.
- ☐ Efforts to slow the growth of crime by attacking the roots of crime (such as poverty, substance abuse, and so forth) are likely to increase.
- ☐ Services directed at victims and perpetrators of spouse, child, and elder abuse will continue to be in demand.
- ☐ Increasing incidents of youth violence will require innovative problem-solving approaches.
- ☐ Prison overcrowding may increasingly lead to the early release of prisoners, placing greater demand on services to help these people re-enter the community.
- ☐ As the high school dropout rate remains steady, new efforts to reverse the trend are likely to arise.
- ☐ Concern about the literacy level of Americans will remain high, requiring increased attention by United Way's community problem-solving efforts.
- ☐ Increasing evidence linking good prenatal care to lower infant mortality is likely to result in increased efforts to educate mothers-to-be about the need for such care.
- ☐ The increasing number of people with AIDS will lead to greater demand for treatment programs, as well as for educational and research programs to prevent the spread of the virus.
- ☐ The dramatic rise in the number of older Americans—most of whom will not be in nursing homes—will place greater demand on existing community-care facilities in providing services to the elderly and create increased need for the development of new elder-care facilities.

- ☐ Improved systems to connect people with services—such as connecting the mentally ill with health services—will require increased attention at the community level.

- ☐ Shortage of nurses will possibly affect the provision of some home health-care services.

- ☐ Greater demand on providers of community health-care services, including transportation services, will occur in areas that experience hospital closings.

- ☐ Creative ideas for broadening the base of financial and voluntary support for nonprofit organizations will continue to be important since competition for resources will intensify.

- ☐ Corporate assistance to the nation's schools is expected to continue to rise as concern about the quality of education remains high; such assistance may eventually diminish the proportion of corporate giving that goes toward basic human services.

- ☐ Time pressures resulting from the demands of family and work will continue to lead to a restructuring of volunteer opportunities, such as changes in the hours of meetings and an emphasis on episodic volunteering.

- ☐ United Ways will find it increasingly prudent to examine their liability insurance situation, since liability insurance-related issues will increasingly demand resolution.

- ☐ The expected sharp rise in the number of middle-aged Americans—driven by the aging of the huge baby boom generation—is likely to have a positive effect on the nation's charitable giving and volunteering, since this age group has traditionally participated in giving and volunteering at very high levels.

Economic

- ☐ The growth of small business employment will provide increasing opportunities for United Ways to broaden their donor and volunteer base.

- ☐ The increasing number of high-income individuals with more discretionary income provides an opportunity for greater support, in contributions and in volunteer time, to charitable organizations.

- ☐ Workplaces will become more ethnically diverse, placing increasing importance on campaign, volunteer recruitment, and service delivery techniques that are sensitive to cultural diversity.

- ☐ Computer programs which enable organizations to analyze data and target the most promising potential corporate supporters will provide an increasingly sophisticated means for United Ways to target and manage expansion to additional campaign sites.

- ☐ Increasing foreign ownership of U.S.-based companies may lead to greater United Way involvement in helping foreign owners to understand the tradition of corporate philanthropy in the United States.

- ☐ Persistent poverty and homelessness—particularly among children—will continue to challenge United Ways and keep demand high for basic human services.

- ☐ United Ways will need to remain sensitive to the increasing globalization of its donors' and volunteers' interests.

- ☐ Most indications are that economic growth will be slower in the 1990s than in the 1980s. In that atmosphere, United Ways will increasingly need to target their

campaign efforts for maximum effectiveness in high-potential markets.

- ☐ United Ways will need to develop new programs—such as energy conservation programs—to assist themselves and funded agencies in controlling costs.

- ☐ United Ways will need to consider the cumulative impact of the following on their relationships with corporations: shrinking of management layers, corporate reliance on networks to do business, increased demands on United Ways for accountability in achieving social goals, and the rise of a more technically sophisticated type of corporate leader.

- ☐ United Ways will need to develop ways to help employees balance their family and work obligations. Such actions can help build increased employee loyalty and reduce turnover.

Regional

- ☐ United Ways located in geographic areas where either high population growth or low population growth is expected will need to remain increasingly sensitive to these demographic projections—particularly as the projections relate to a local United Way service area—and will need to plan for future service needs appropriately.

- ☐ In regions largely dependent on farming and mining, United Ways can anticipate prolonged economic hardship, affecting the demand for human-service delivery, as well as the availability of charitable donations.

Political

- ☐ The growing interest among business and government in forming partnerships to address social problems will increase the opportunities for United Ways to develop close working relationships with these groups on community problem-solving projects such as literacy, basic skills training, and meeting health needs.

- ☐ An anticipated heightening of public attention to social issues offers United Ways increased opportunities to serve as a leader in community problem-solving efforts and to gain increased financial support for human services.

- ☐ United Ways may find themselves increasingly involved in housing issues. Such involvement may include funding services for the growing number of elderly who live alone, for the homeless, and for increasing the availability of low-income housing.

- ☐ The growing importance of state governments in social policy will result in United Ways needing to strengthen their government-relations programs.

Technological

- ☐ Human services will come to be recognized as an important component in increasing the technological and scientific literacy of the nation's people.

- ☐ Advances in computer and telecommunications technologies will offer potential improvements in the administrative functions of nonprofit organizations, especially those relating to data collection and analysis and communication.

- ☐ United Ways will need to explore new ways through which information technology—including databases, graphics, and computer networks—can help them achieve their goals and better serve their constituencies.

- ☐ Advances in genetic engineering and other medical technologies will increase questions regarding medical ethics. United Way-supported agencies may become involved in the distribution of advanced medical devices (such as artificial blood), which may prove controversial.

- ☐ Development of new media, such as slide shows generated on personal computers, will provide increasing opportunities for United Ways to personalize donor and volunteer recruitment presentations.

- ☐ Cable television's growing penetration of U.S. homes will lead United Ways to consider the strategic importance of this medium for telling its story and for promoting the services of United Way-supported agencies.

- ☐ Continued merger of computers and information technologies should provide new opportunities for expansion of information and referral services.

SOCIAL TRENDS

U.S. Population Growth and Movement

Population Age Structure

Minorities

Households and Families

American Value Systems

American Life-Styles and Attitudes

Religion

Crime

Education

Health

U.S. POPULATION GROWTH AND MOVEMENT

Between 1980 and 1988 the U.S. population grew by more than 18 million people, an increase of 8.5 percent. In 1988, the U.S. population was 245.8 million. Over 80 percent of the people who will make up the population of the United States in the year 2000 are now alive. Population in the U.S. is expected to reach 268.3 million by the year 2000.

Population Growth

The United States population is growing at just under 1 percent per year, and each year the rate of growth diminishes slightly. The growth is the result of both natural increase (more births than deaths) and immigration.

Natural Increase. The number of deaths occurring annually in the United States is increasing, but it is increasing at about the same rate as the population is growing. Thus, the annual death rate (deaths per 1,000 people) has remained virtually unchanged (8.7 deaths per 1,000) in the 1980s.

The number of births in 1988—3.9 million—was the highest number for any year since 1964, the last year of the baby boom. This 1988 birth total represents an 8 percent increase over the number of births in 1986 and is a post-baby-boom high. Still, the birth rate—70 births per 1,000 women in 1988—has remained virtually unchanged in a dozen years. But there has been a rise in the birth rate for women aged 30 to 35; in fact, women in their 30s account for one-third of the nation's births. The year 1989 is expected to be the peak year for births to the baby boom—and the beginning of the decline of the "baby boomlet."

Immigration

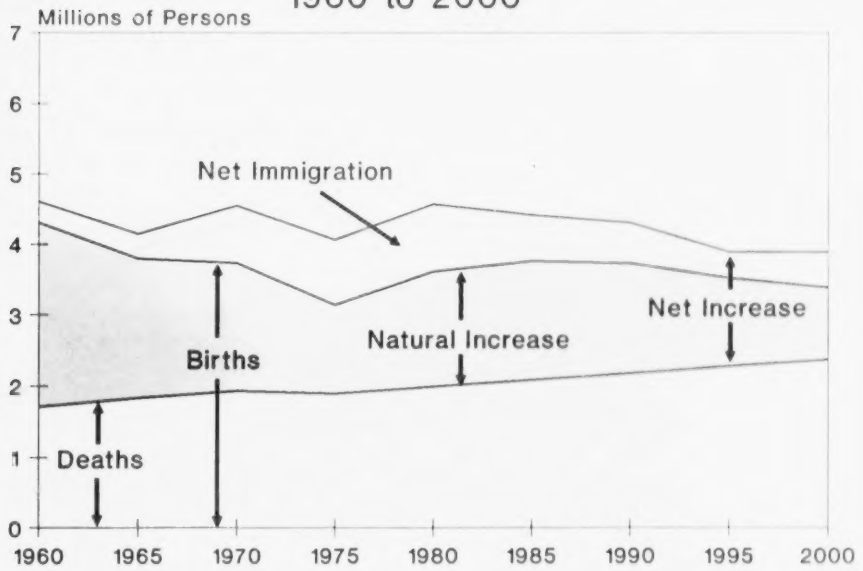
Immigration is now America's major source of population growth. In fact, beginning in 2019, immigration is expected to add more to the U.S. population than natural increase will, according to the U.S. Census Bureau. Thus, the racial and ethnic composition of the nation's population will continue to shift. Net immigration to the United States during the 1980s has accounted for approximately one-third of the nation's population growth, according to the U.S. Census Bureau.

In 1988, the U.S. Immigration and Naturalization Service recorded 643,000 legal immigrants, the greatest influx since 1924. During the 1980s, legal immigration has averaged 570,000 people annually. This is 30 percent higher than the annual average for the 1970s and substantially higher than the number in any year between 1924 and 1978. Another 200,000 immigrants are estimated to enter the country illegally each year. And hundreds of thousands of aliens with nonimmigrant status live legally in the United States. These aliens consist of students, temporary workers, visitors, traders, investors, and their spouses and children.

According to a 1988 study by the Center for Immigration Studies, immigration to the United States during the entire decade of the 1980s is expected to match or exceed that of the previous historic high—1900 to 1910, when there were nearly 9 million immigrants. The 2.4 million immigrants who have sought amnesty under the Immigration and Reform and Control Act of 1986 have swelled the projected total. Counting all immigrants—including amnesty grantees and illegal immigrants—by the end of the 1980s the total for the decade is likely to reach 11 million to 13 million.

The 1986 act allowed people who had lived illegally in the United States since before January 1, 1982, to apply for amnesty from deportation. (The year-long amnesty period ended in May 1988.) Amnesty recipients are permitted to work and receive temporary U.S. residency for 31 months, after which they are subject to deportation if they fail to apply for permanent residency.

Components of Population Change
1960 to 2000



Source: U.S. Bureau of the Census, 1989

Federal officials expect nearly all of the workers who applied for amnesty under the immigration reform act to apply for permanent residency. After five years of permanent residency, immigrants may apply for citizenship. (Spouses of U.S. citizens may apply for citizenship after three years.)

Between 1984 and 1988, Mexican-born immigrants made up the largest share of legal immigrants to the United States on an annual basis. They were followed by immigrants from the Philippines, China (including Taiwan and Hong Kong), Korea, Vietnam, India, and the Dominican Republic. Most new immigrants to the United States settle where others from their native country have settled, producing ethnic concentrations in many cities.

Illegal Immigration. Despite passage of the 1986 act, illegal immigration is still not under control. Exactly how many undocumented (illegal) aliens remain in the U.S. is unknown. Some immigration analysts claim the number is as high as 3.5 million. And illegal immigration from Mexico is actually on the rise. Recent illegal immigrants from Mexico are staying in the United States longer than their predecessors did, are increasingly arriving in family groups, and are coming in growing numbers from parts of Mexico (such as Mexico City and other large cities) that they did not come from in the past.

In the first six months of 1989 there was a dramatic increase in the number of children, unaccompanied by an adult, who illegally entered the U.S. from Central America. In just one immigration office in Texas, the number of these children averaged 202 monthly—up from 32 during the same months in 1988.

Refugees. In 1987, nearly 65,000 refugees arrived in the United States, down by one-third since 1982.

Throughout the 1980s the largest number of refugees were from Vietnam. Vietnamese refugees accounted for 35 percent of all refugees in 1987 and numbered nearly 23,000. This is a decline from the nearly 42,000 who arrived in 1982. The second-largest number of refugees in 1987 came from Laos (15,600); the number of Laotian refugees increased 62 percent between 1982 and 1987. Rounding out the top five countries from which the most refugees settled in the United States in 1987: Iran (6,700, up 94 percent since 1985); the Soviet Union (3,500, up 438 percent since 1985 and 27 percent since 1982); and Poland (3,450, up 21 percent since 1985, but down 47 percent since 1982).

Countries that today send few refugees could become significant sources of future immigration. (When a new group of refugees settles in the United States, it tends to become a magnet for later immigration by relatives.) Thus, although Angola, Bulgaria, Iraq, Cuba, and Hungary sent the fewest refugees in 1987, immigration from these countries may increase in the future.

Population Migration

Between 1980 and 1987, 25 states gained residents by people moving in from other states or from abroad, for a net gain of 8 million. The other 25 states had a net loss of 3.1 million people.

Most of the states with a net gain were in the South and the West. California took in the most new residents, followed by Florida, Texas, Arizona, Georgia, North Carolina, and Virginia. One-third of the U.S. population lives in those seven states, which accounted for nearly two-thirds of all U.S. population growth between 1980 and 1987, primarily because of high in-migration.

Nearly one in every five Americans (18 percent) changed residences between 1986 and 1987. The majority of those (11 percent of all Americans) merely moved to another residence in the same county. Of those who moved to a different county, 4 percent remained in the same state, and 3 percent moved to another state.

With the United States population growing less than 1 percent annually, migration is the major determining factor in state population growth and decline. According to the U.S. Census Bureau, between 1990 and the year 2000 migration should account for all of the population growth in Florida, for half of the population growth in California, and for one-third of that in Texas.

Demographic experts predict that mobility is likely to drop during the rest of the century. This will reflect the general aging of the U.S. population, driven by the aging of the baby boom generation. As a group, older Americans are least likely to move; younger people move at a much higher rate.

Metropolitan and Nonmetropolitan Populations

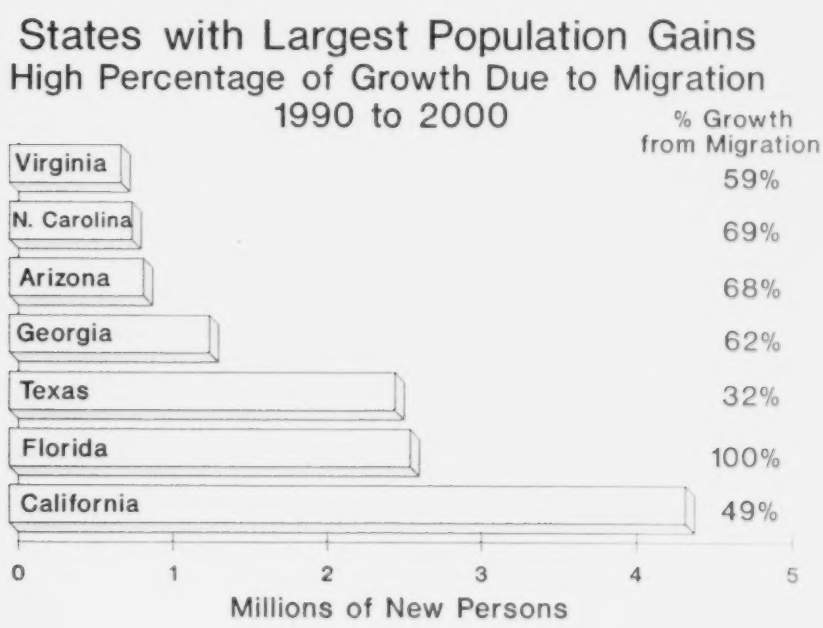
The United States is steadily growing more urban. More than three out of four Americans (77 percent) now live in a metropolitan area, up from 63 percent in 1960. A metropolitan area includes a central city of at least 50,000 and the towns and cities economically tied to it. Nonmetropolitan areas are rural and located beyond the suburbs.

Overall, between 1985 and 1986, metropolitan areas continued to gain population at the expense of nonmetropolitan areas. More than 600,000 more people moved to metropolitan areas from nonmetropolitan areas than the reverse.

One-fifth (or 56) of the nation's metropolitan areas, however, have been losing population in the 1980s. Of these, 31 are in the Midwest and 13 in the Northeast. (And there are still more Americans who want to live in a small town or rural area than who actually do live there.)

Within metropolitan areas, the suburbs gained the most migrants. More than 4 in 10 Americans now live in the suburbs—more than the number living in cities. Thus, the growth of metropolitan areas is increasingly tied to the growth of the suburban areas that surround the central city.

Moreover, today's suburbs are no longer just "bedroom communities" for nearby central cities, as they were in the past. The suburbs of today have been transformed into places where Americans live, shop, work, and pursue leisure activities. Suburbs are increasingly self-sufficient and are becoming urban entities all their own.



Source: U.S. Bureau of the Census, 1989

POPULATION AGE STRUCTURE

America's population is older than ever before. The median age rose to 32.3 years in mid-1988, up from 30 in 1980, and is expected to reach 36.5 by the year 2000.

The primary factor in the aging of the overall population is the movement of the huge baby boom generation (the 77 million persons born between 1946 and 1964) into middle age. (Approximately one in every three Americans is a member of the baby boom generation.) This is compounded by the falling number of young adults (aged 25 to 34) and the rapid rise in the number of oldest old Americans (aged 75 and over).

Another factor in the aging of the American population is increasing life expectancy. Life expectancy in 1986 reached a new high—75 years for babies born in that year. Life expectancy remains higher for girls than for boys: 78.5 for girls compared with 71.5 for boys. However, the gap between men's and women's life expectancy has been slowly closing over time because of greater increases in longevity for males than for females. The rise in life expectancy is attributed to continued declines in infant mortality and in deaths from heart disease—declines that offset rises in deaths from influenza, cancer, and AIDS. (AIDS could eventually have an adverse effect on national average life-expectancy figures because of its prevalence among younger people.)

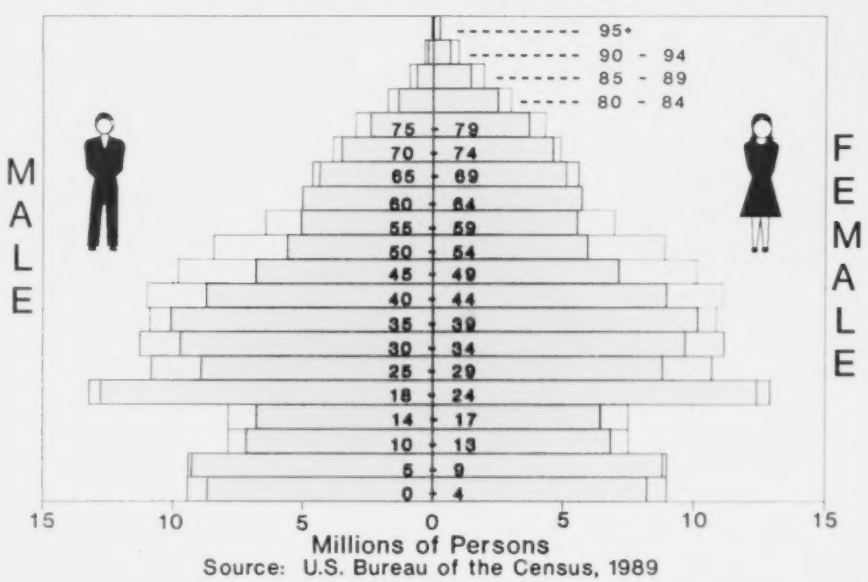
Population Age Trends

Population trends by age group are expected to vary dramatically during the rest of the century. The number of people under age 5 (18.3 million in 1988) will rise slowly through 1990 but will steadily decline over the remainder of the century. By the year 2000 the population under age 5 is projected to decline by nearly 8 percent to 16.9 million. The elementary-school-age population (aged 5 to 13) is projected to increase by more than 7 percent between 1988 and 1995 (up from 31 million in 1988 to 33.8 million in 1995). It will then decline slightly through the remainder of the century, for a total increase of 3 percent between 1990 and 2000. The high-school-age group (aged 14 to 17) is projected to decline through 1995 and then increase through the end of the century, rising from 14 million in 1990 to 15.3 million in 2000, up 16 percent.

The college-age and entry-level worker population (aged 18 to 24) will slowly decline from 27 million in 1988 to 24 million in 1995 and remain at that level through the year 2000. Between 1990 and 2000, the population aged 18 to 24 will fall 3 percent. It will then begin to slowly rise in number through 2005.

America's population of young adults (aged 25 to 34) will dramatically decline in number throughout the remainder of the century, falling over 15 percent from 44 million in 1990 to 37 million in 2000.

U.S. Population by Age and Sex
1990 to 2000

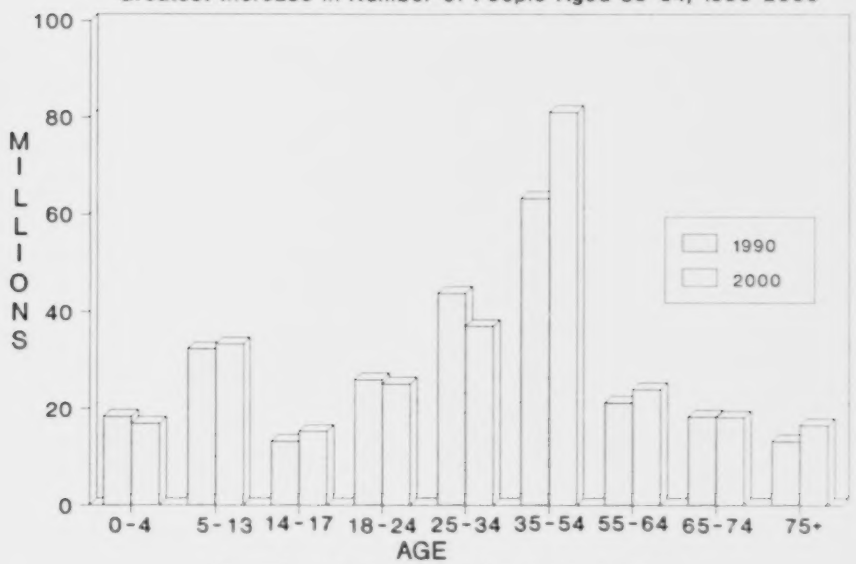


Source: U.S. Bureau of the Census, 1989

America's middle-aged population (aged 35 to 54) will rise sharply in number through the end of the century, as the baby boom generation moves into this age range. Their numbers will increase from over 63 million in 1990 to 81 million in 2000, an increase of 28 percent.

Middle-Aging of America

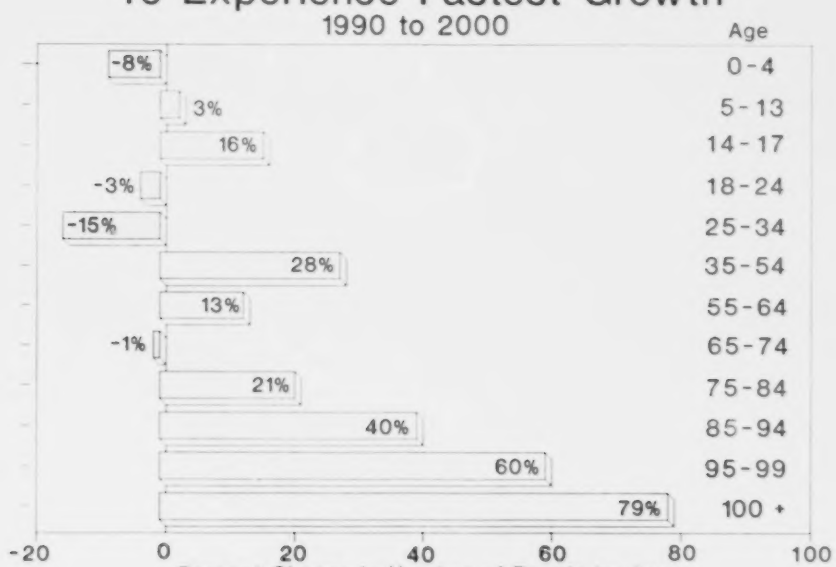
Greatest Increase in Number of People Aged 35-54, 1990-2000



Source: U.S. Bureau of the Census, 1989

Number of Older Americans To Experience Fastest Growth

1990 to 2000



Source: U.S. Bureau of the Census, 1989

The several categories of older Americans will also experience differing patterns of rising and falling numbers through the end of the century. The population aged 55 to 64 will slowly decline from nearly 22 million in 1988 to 21 million in 1995. After 1995, the number in this age group will begin to increase to over 24 million in 2000, up 13 percent between 1990 and 2000. The population aged 65 to 74 will remain steady during the rest of the century, falling slightly from 18.4 million in 1990 to 18.2 million in 2000, down 1 percent.

The dramatic increases in population age groups in the U.S. will come in the categories of Americans over age 75. Over the remainder of the century, Americans aged 75 to 84 are projected to increase in number from 9.9 million in 1990 to over 12 million in 2000—an increase of 21 percent between 1990 and 2000; those aged 85 to 94 are projected to grow from 2.9 million to over 4 million, up 40 percent; those aged 95 to 99 are expected to rise from 260,000 to 417,000, up 60 percent; and those aged 100 and over are projected to increase from 56,000 to 100,000, up 79 percent.

Balance of the Sexes

More Younger Men Than Younger Women. The sex ratio among Americans in their 20s is being reversed. From now through the end of the century, in this age group there will be more males than females.

Feminization of the Elderly. As the population grows older, increasingly women constitute a larger proportion of the nation's population than do men. This first begins to occur around age 45, when there are only about 1 million more women than men. But the gender difference increases over time, so that among the population aged 75 and over, for example, there are approximately 4 million more women than men (nearly two women for every one man).

MINORITIES

Minority populations in America continue to grow at a faster rate than the population as a whole. This is because minority populations are younger, on average, than the U.S. population and because immigrants continue to flow into the country. In addition, the population group referred to by the U.S. Census Bureau as "other races" (American Indians, Alaskan Natives, Asians, and Pacific Islanders) grew far faster throughout the 1980s than the white, black, and Hispanic populations.

Taken singularly, each of the minority groups in America still represents only a small piece of the population pie. However, if they are combined and presented as one group, these "nonmajority" populations quickly take on a different look. By 1990, one in every four Americans will be a minority. And by the year 2000, almost one in every three Americans will be a minority. It is projected that by the end of the next century there will be a new majority population in America—a majority of minorities.

This has already occurred in some cities, including Atlanta, El Paso, Los Angeles, San Antonio, San Francisco, and Washington, D.C. In all these cities, minorities constitute an absolute majority of the local population.

Similarities among America's growing minority populations include their rapid rate of growth, their general youthfulness, and their geographic concentration.

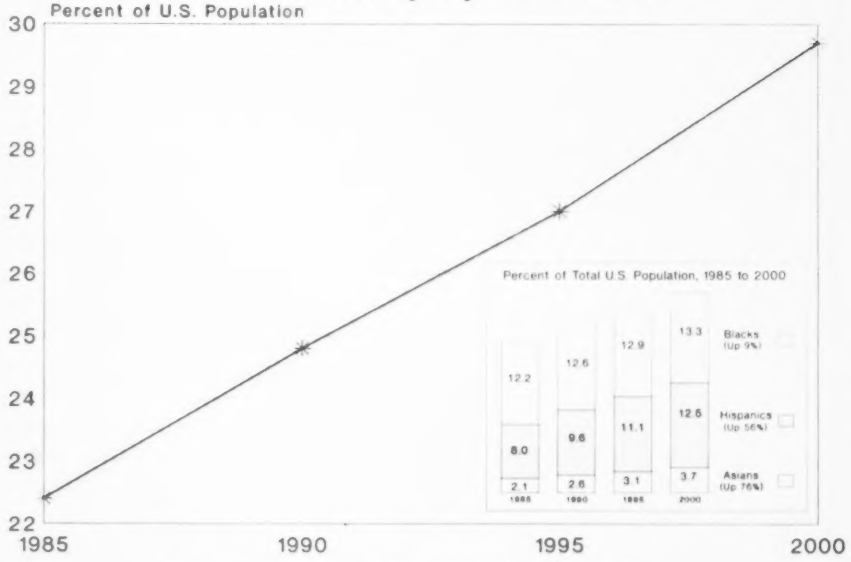
Despite their similarities, minority populations are composed of many subgroups, each with its own distinguishing characteristics. There are language differences, for example, not only among minority groups but also among their subgroups (both the Spanish and Asian languages have a multiplicity of dialects). There are also cultural and class differences among the many subgroups.

American Indians

In 1989, the Bureau of Indian Affairs (BIA) estimated its service population to be 949,075, up from 861,570 in 1987—an increase of more than 10 percent. The BIA service population is composed of American Indians, Eskimos, and Aleuts living on or near Indian reservations in the United States. (The BIA service population, thus, is smaller than the total American Indian population living in the United States, since many Indians do not live on or near a reservation.)

There are 505 federally recognized tribes in the United States, including 197 Alaska native village groups. There are 304 federal Indian reservations, the largest of which is the Navajo Reservation in Arizona, New Mexico, and Utah. No current estimation of the size of the total American Indian population, or its economic status, will be available until the 1990 Census is completed.

Nearly One in Three Americans Will Be A Minority by Year 2000



Source: Population Reference Bureau, 1986

Asians

There were 5.1 million Asians living in the United States in 1985, up from 3.5 million in 1980. Asian-Americans constituted 2.1 percent of the U.S. population in 1985. Asian-Americans are the third-largest ethnic minority, after blacks and Hispanics. By the year 2000, Asian-Americans are expected to constitute 3 to 4 percent of the nation's population.

The highest number of Asians entering the United States have come from Indochina: from Vietnam, Kampuchea (formerly Cambodia), and Laos.

More than half (53.3 percent) of all Asians employed in the United States hold managerial or professional positions. Thirty-four percent of Asian Americans have a college degree, which is well above the 20 percent for the nation as a whole, the 11 percent for blacks, and the 8.6 percent for Hispanics. A significant majority of Asian Americans are male (58 percent), whereas in the nation as whole 45 percent are male, and the Hispanic and black populations are 54 and 51 percent male, respectively.

Asian immigrants to America actually belong to two distinct groups. The first wave of Asians, those who arrived through 1975, were Taiwanese, Korean, and Vietnamese; they were generally well educated and from middle-class backgrounds. (As many as 70 percent of the Koreans arriving during the first wave had university degrees.) These Asians had stable families, supportive community organizations, and aspirations for self-sufficiency, all of which led to economic success in America. They also had the skills and capital to launch new businesses and educate their children.

The Asian immigrants who arrived after 1975, however, have been mostly poorly educated Hmong and Cambodians who lived through war in Southeast Asia. Many slightly educated Filipinos also began to arrive during this period. The second wave of Asian immigrants have not been able to adjust to their new lives in the United States nearly as well as the first wave. Almost 70 percent of all Indochinese refugees who arrived in America in the 1980s are on some form of welfare, and mental health workers agree that at least half of them suffer from psychological disorders that require treatment.

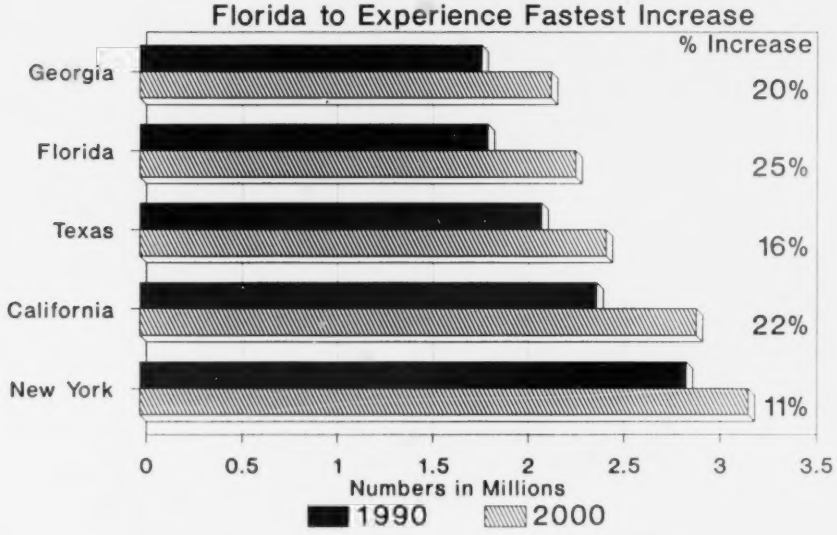
Blacks

Blacks are the largest of the minority population groups in America. In 1987 there were 28.9 million blacks, constituting 12 percent of the population. Blacks are also the slowest growing population group of the minority groups. Still, between 1980 and 1987 the black population grew at a rate faster than the total population—a 9 percent growth rate for blacks compared to a 5 percent rate of growth for the total population. It is projected that blacks will make up 13.3 percent of the total U.S. population in the year 2000.

In 1987, 82 percent of young blacks were high school graduates, up from only 53 percent in 1970; 11 percent of blacks are college graduates. In 1987 the average family income for black Americans was $18,098, down from $18,952 in 1978 (in 1987 dollars). Blacks hold approximately 6 percent of the management positions in the United States work force.

The number of black families increased from 5 million in 1970 to over 7 million in 1987. Smaller in size than they used to be, black families now average 3.5 members. The majority of black families are husband and wife families; however, the share of black families headed by women only has sharply increased in recent decades. In 1987, female-headed families constituted 42 percent of all black families.

One in Three Blacks to Live in Just Five States by Year 2000



Source: U.S. Bureau of the Census, 1989

More than half (56 percent) of all blacks live in the South; only 9 percent live in the West. The top seven most black-populous states are (in order) New York, California, Texas, Illinois, Georgia, Florida, and Michigan. California's black population is projected to increase by 42 percent between 1990 and 2010, double the rate of increase in New York. This will bring these two top black-populous states to near parity in 2010, representing a major shift. New York has always maintained a substantially larger number of blacks.

Hispanics

In 1988 there were an estimated 19.4 million Hispanics in the United States. Hispanics constitute 8.1 percent (1 out of every 13 persons) of the U.S. population, up from 7.2 percent in 1985 and 6.4 percent in 1980. This represents a 34 percent increase since 1980, a growth rate five times faster than that of the American population as a whole. According to the U.S. Census Bureau, about half the Hispanic increase in 1988 was due to immigration and half to the excess of births over deaths. It is projected that Hispanics will constitute 12.5 percent of the population in the year 2000 and that they will be the nation's largest minority (surpassing blacks) early in the 21st century.

Over two-thirds of U.S. Hispanics are foreign-born. The majority of Hispanic Americans (63 percent) are Mexicans. The remainder are Puerto Ricans, Central and South Americans, Cubans, and Spaniards.

Mexican-Americans are the largest and fastest-growing Hispanic ethnic group in the nation. Totalling 12.1 million in 1988, the Mexican-American population has grown 40 percent since 1980. Cubans have increased 30 percent since 1980, but they are the smallest Hispanic ethnic group in America, numbering only 1 million. "Other" Hispanic-Americans number almost 2 million and have increased 26 percent since 1980. Puerto Ricans, who number nearly 3 million, have increased by 25 percent since 1980.

Fifty-five percent of all Hispanics in the United States live in only two states: Texas and California. Thirty-three percent live in seven other states: New York, Florida, Illinois, Arizona, New Jersey, New Mexico, and Colorado.

As a group, Hispanics are younger, less educated, and have lower incomes than non-Hispanics. The median income of Hispanic families was $20,306 in 1987, compared with a non-Hispanic family income of $31,610. In 1987, most Hispanic families were maintained by married couples, but 23 percent were headed by female single parents. Though as a group Hispanics are less educated than non-Hispanics, Hispanics completed high school and college at record levels in 1988. Fifty-one percent of Hispanics aged 25 and older completed high school in 1988, and nearly 9 percent finished four or more years of college. Nearly 40 percent of Hispanic youths drop out of high school (compared to 17 percent of blacks and 14 percent of whites). Between 1984 and 1988, the number of Hispanics completing high school increased 34 percent, and the number of Hispanics with four or more years of college rose 51 percent.

HOUSEHOLDS AND FAMILIES

In 1988 the United States had nearly 92 million households (one or more persons living in the same dwelling). The U.S. Census Bureau projects that by the year 2000, that number will rise to 110 million.

The number of households continues to rise at a rate faster than the growth rate for the nation's overall population. The number of households nationwide was up 12.7 percent in 1988 over 1980, whereas the population grew only 8.5 percent. As a result, the average number of persons per household continues to decline. In 1988 the average household contained 2.64 persons (down from 2.76 in 1980), and the average family household contained 3.17 persons; both were record lows. (Nearly three in five U.S. households in America now contain no children. The trend to small families is expected to continue.)

The decline since 1980 in size of household is due partly to an 18 percent increase in the number of households headed by persons aged 65 and older. These households are considerably smaller than the norm, averaging only 1.76 members. Also contributing to the decline in household size are households consisting of married couples with no children of their own under the age of 18. These households have only 2.46 members on average, and between 1980 and 1987 they increased by more than 11 percent. During the same period, households composed of married couples with children fell 1.3 percent. And many of the larger households showed only small increases in numbers—with some even declining.

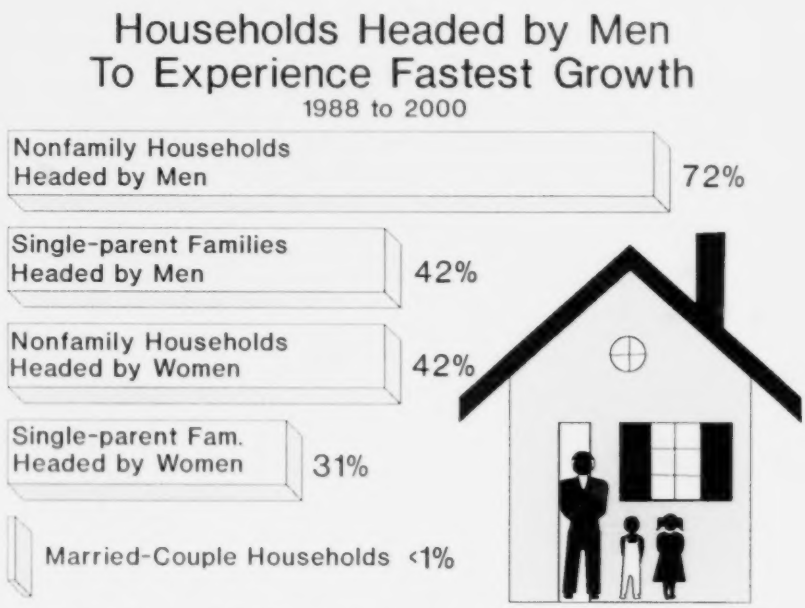
More than anything else, decline in fertility has had the most substantial impact on household size. The nation's birth rate fell to 15.6 per 1,000 people in 1987 from 18.2 in 1970. And although there has been an increase in the total number of births in recent years—largely a result of the giant baby boom generation being in its prime childbearing years—members of this generation are still reproducing at a lower rate than did their parents, resulting in fewer children per household.

Through the remainder of the century, nonfamily households headed by men are projected to be the fastest growing type of household, up 72 percent between 1988 and the year 2000. Households headed by single-parent men will increase 42 percent, nonfamily households headed by women will increase 42 percent, and single-parent families headed by women will increase 31 percent. Married-couple households are projected to experience the slowest growth, up less than 1 percent between 1988 and 2000.

Family Households

Family households are those in which the inhabitants are related. Families in America now account for 7 in 10 households (72 percent), down from nearly 74 percent in 1980. By the year 2000, the percentage will have dropped to 64. The number of family households, however, has been rising, albeit slowly. In 1988 the number of family households was 65 million, up 9 percent since 1980. By the year 2000, there will be more than 70 million family households.

Married Couples. Married-couple families constituted 57 percent of all households during 1988. This total is down 5.5 percent since 1980, and is projected to decline further, to 47 percent of all U.S. households, by the year 2000.



Percent Change in Number of Households by Type, 1988 to 2000

Source: U.S. Bureau of the Census, 1989

Eighty percent of family households are headed by married couples. By 2000, that figure will be 75 percent. More than half (53 percent) of married-couple households have no children under 18 living at home (up 4 percent since 1980). Married-couple households with children under 18 account for 47 percent of family households (down 4 percent since 1980).

Single-Parent Households. As the percentage of family households that are married-couple families declines, the percentage of single-parent families is rising. In 1988, there were 13.3 million single-parent households in America, constituting 20 percent of all family households. By the year 2000, the proportion is expected to rise to 25 percent.

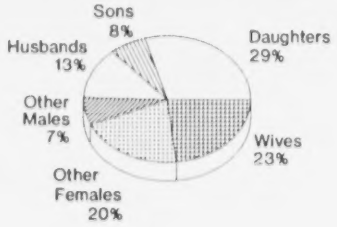
As a proportion of all types of U.S. households, single-parent households rose from 13 percent in 1980 to 14.6 percent in 1988. They will constitute 16 percent of all U.S. households in the year 2000.

Single-parent households continue to be the fastest growing type of family household in the 1980s. The fastest growing type of all U.S. households through the 1980s has been single-parent households headed by males, up 57 percent between 1980 and 1988 (whereas female-headed single-parent families increased only 22 percent). Still, households headed by female single parents continue to outnumber those headed by male single parents by nearly four to one. Female single-parent households will constitute 20 percent of family households in 2000, up from 16 percent in 1988. Male single-parent households will make up 5.5 percent of family households in 2000, up from 4 percent in 1988.

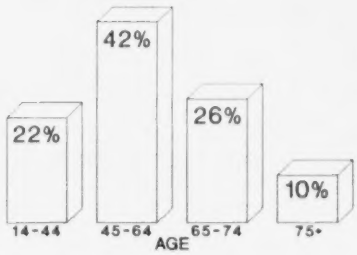
Dependent Care. Many Americans are experiencing problems dealing with two kinds of dependent care: child care and elder care. The need for child care has been widely publicized as the nation has witnessed a dramatic increase in the number of mothers who are working outside the home. But elder care is another form of dependent care that is becoming ever more prevalent today in America. The National Council on Aging reports that 2.7 million adult children are caregivers for their parents. Contrary to popular belief, the majority of older Americans are cared for in their children's or in someone else's home—four times as many as are cared for in nursing homes (6 million versus fewer than 1.5 million). Although the majority of caregivers to the elderly are 45 to 64 years of age, 36 percent of caregivers are them selves older than 65. The majority of caregivers are wives and/or daughters, and today it is more likely than ever before that these women are in the work force. In fact, 72 percent of all

Majority of Caregivers to the Elderly Are Women In Middle-Age

Who Are Caregivers?



Ages of Caregivers



Percent of All Caregivers to the Elderly

Source: National Center for Health Services Research, 1989

caregivers are women, 29 percent of whom are daughters; 55 percent of the women caregivers are employed outside the home. Nearly 90 percent (1.8 million) of women caregivers have responsibilities to care simultaneously for both children and parents.

Approximately 200 U.S. companies have ongoing elder-care programs, such as elder-care referral services, lunchtime seminars with specialists in geriatrics, and flexible work hours. According to the American Association of Retired Persons' Caregivers in the Workplace project, many companies are interested in providing some form of elder-care program to their employees. At the same time, however, many are trying to decrease employee benefits. One U.S. company is considering intergenerational care—allowing the elderly to share its two on-site child-care centers. Elder care may become an even more critical issue as the baby boom generation ages. Up to one-third of baby boomers are expected to remain childless or to have only one child.

(For a discussion of Child Care, see the Special Trend section.)

Nonfamily Households

Nonfamily households consist of a person living alone or two or more unrelated persons living together. Between 1980 and 1988, the number of nonfamily households grew nearly three times as quickly as the number of family households and increased 22 percent.

Nearly 30 percent of all U.S. households are nonfamily households. The U.S. Census Bureau projects that by the year 2000, that figure will be 36 percent, or more than 40 million nonfamily households.

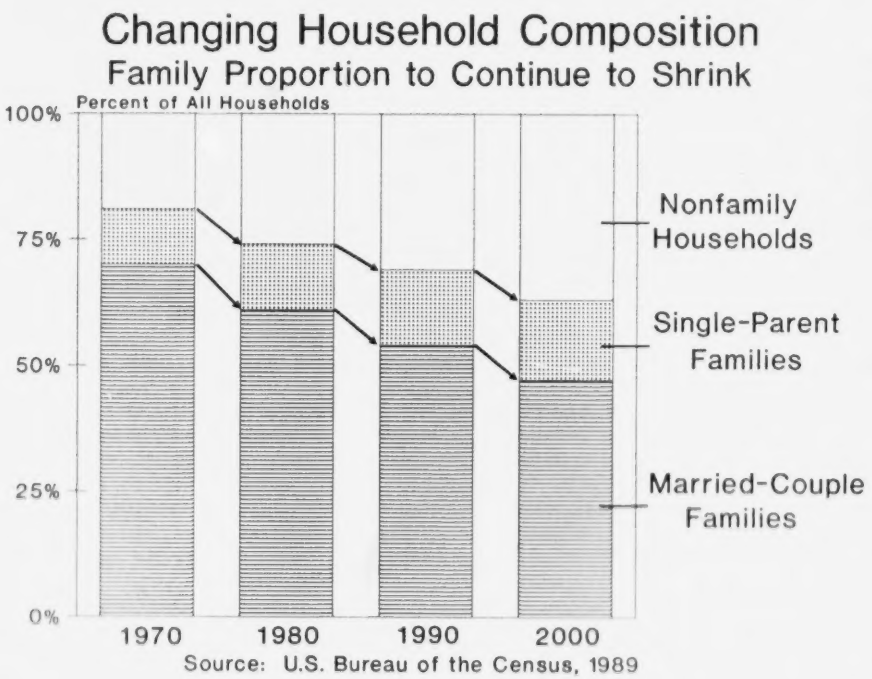
Single-Person Households. The number of people living alone has more than doubled between 1970 and 1988 and was up 20 percent between 1980 and 1988. Among nonfamily households, more than 8 in 10 are one-person households. The increase is one outcome of trends such as later marriages, high divorce rates, increased life spans, birth control, and an increased tendency for people to stay single.

Unrelated-Persons Households. Between 1980 and 1988, nonfamily households consisting of persons living with people to whom they were not related grew almost twice as fast (38 percent) as the number of nonfamily households consisting of only one person.

This category includes 2.3 million unmarried couples, almost one-third of whom are raising children.

According to a 1987 Census Bureau study, children live in more than 700,000 households shared by unrelated men and women and in 92,000 households shared by a same-sex pair. However, the Census study was unable to determine the relationships between the unmarried couples—for example, how many are simply landlords and boarders or how many are homosexual couples.

In 1989, San Francisco became the first major U.S. city to provide for the public registration (legal recognition) of "domestic partnerships" of homosexuals and unmarried heterosexual couples—in the same way that other couples file for marriage licenses. Groups in other U.S. cities—notably Boston and New York—are organizing to have such measures adopted.



Marital Status

Marriage. The marriage rate continues to decline, down to 9.7 marriages per 1,000 persons in 1988 (from 10.6 in 1980)—the lowest rate since 1967.

Among those who were newly married in 1985 (the most recent figures available), 54 percent were marrying for the first time; most of the rest had been divorced and were remarrying (23 percent) or were divorced and marrying someone who had never been married (23 percent).

Young people are continuing to wait longer to marry. In 1985 the mean age at first marriage was 23 for women and 24.8 for men. Divorced people also are waiting longer to remarry. In 1985 the mean age at remarriage rose to 36 for previously divorced men and to 32.7 for previously divorced women, surpassing previous record highs.

If the marriage rate of 1985 were to remain constant, only 70 percent of American women and 69 percent of American men would ever marry, according to a 1988 study by the National Center for Health Statistics (NCHS). (NCHS computed what the total marriage rate would be if the age-specific rates for 1985 were maintained throughout the lives of a hypothetical group of 1,000 people.) Historically, 90 percent of Americans marry. Thus, if the new rates do remain constant, a major shift in behavior is occurring.

Divorce. The divorce rate is declining in the 1980s, down to 4.8 divorces per 1,000 persons in 1988—the lowest rate since 1975. The number of divorces peaked in 1984, after more than two decades of rapid increase.

According to a report by the American Council of Life Insurance, divorce rates are highest among couples in their 20s. Although couples aged 20 to 29 represent only 14 percent of all married couples, they are involved in almost 33 percent of all divorces. As the baby boom generation moves out of their 20s and the smaller "baby bust" generation moves into their 20s, it seems likely that both the number of divorces and the overall divorce rate will continue to fall.

AMERICAN VALUE SYSTEMS

Numerous core values are characteristic of America as a nation. Most commentators agree that these include values such as self-reliance and independence; trust and openness; communal action, voluntarism, and altruism; equality; optimism; and pragmatism. Materialism is also characteristic of America (as compared to other countries); the nation is a consuming-oriented society.

According to the popular press, materialism—the greed and self-centeredness that supposedly characterized much of the 1980s in America—is no longer the driving force in the lives of Americans. Instead, the media proclaim that, as the nation enters the last decade of this century, its people are more concerned about social issues and less interested in seeking material gain.

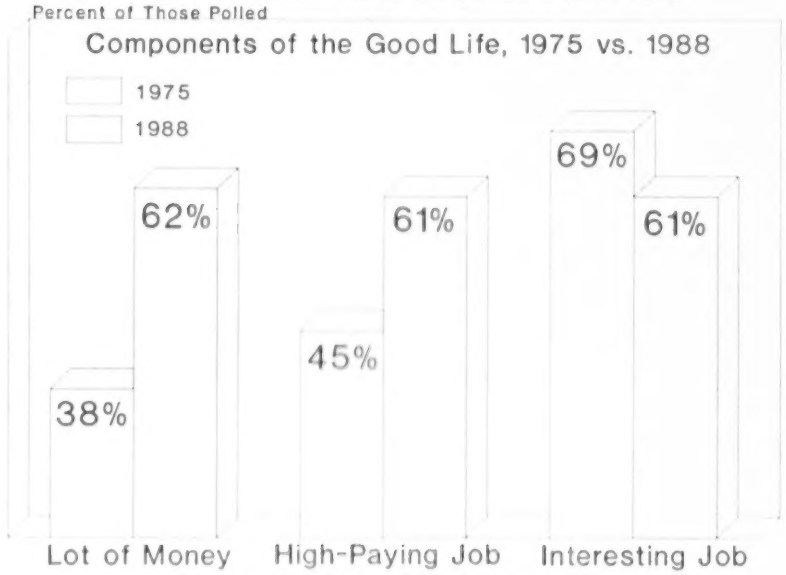
In recent articles, Daniel Yankelovich hypothesizes that, among Americans, there is a "shift from pride in having to pride in doing" and suggests that the "materialistic free-for-all" of the 1980s has come to an end. A February 1989 survey by The Gallup Organization was titled "Public Values Intangible Assets More Than Material Possessions."

According to The Roper Organization, however, there is only some truth in these proclamations. Public concern about social issues is rising. People do place more importance on "intangible" aspects of their lives, such as family and friends, than on things they own. Yet at the same time, Roper reports a dramatic increase in the materialistic desires of Americans. Money, and what it can buy, has taken on much more significance for more people. Evidence from The Roper Organization suggests that this "aspiration inflation" is a pervasive, enduring trend.

The attitudes of today's college students illustrate the pervasiveness of materialism: today's college students are more materialistic than ever

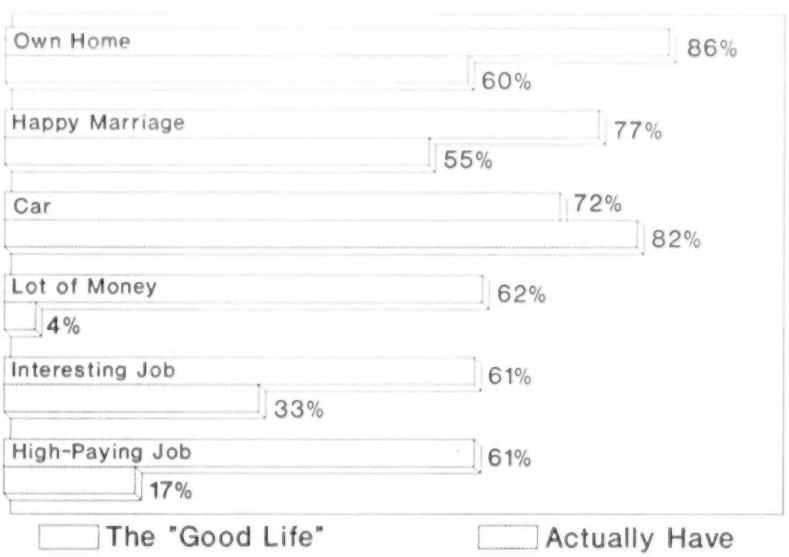
Aspiration Inflation

Materialism on the Rise in America



Source: The Roper Organization, 1989

...Possession of Components of the "Good Life" Falls Short of Americans' Aspirations



Source: The Roper Organization, 1989

before, according to longitudinal studies by the Higher Education Research Institute (HERI) at UCLA. For the class of 1992, their attitudes, values, and goals center around the single theme of making more money.

According to HERI, a record 73 percent of students entering college in the fall of 1988 cited future money-making as "very important" in their decision to further their studies. And "being very well off financially" was the number-one long-term life goal for entering freshmen in 1988; over 73 percent of freshmen chose this goal of personal affluence, up from a record low of 39 percent of freshmen in 1970. Over the same period, "developing a meaningful philosophy of life," the number-one goal throughout the late 1960s and early 1970s, fell to eighth place in 1988, with barely half the students surveyed considering the development of a meaningful personal philosophy any more than "somewhat" important.

A Material World

In early 1989 Roper reported that materialism had reached a new peak. Although having a happy marriage and children, owning a home and a car are the most important elements of the "good life" for most Americans, other fundamental values have changed dramatically in the 1980s, according to Roper.

The "good life" now requires "a lot of money," according to more than 6 in 10 Americans, up from just 4 in 10 in 1975, as well as having a job that pays much more than average. Throughout the 1970s and up to the mid-1980s, in contrast, having an interesting job was much more desired than having a high-paying one. As the nation enters the 1990s, the two are considered equal in importance. Virtually everything that money can buy now figures more prominently in Americans' concept of the "good life" than was the case in 1981.

The Impossible Dream

Reality, however, has not kept pace with the inflation of the good life. With the exception of color television sets and second cars, actual ownership or possession of the items needed for the good life has remained about the same since 1975. This gap between the perception of the good life and reality may be responsible for the slight decrease in the number of people who think their chances of achieving their concept of the good life are very good—from 35 percent in 1984 to 28 percent in 1989.

The New Materialism

Although the materialistic instincts of Americans appear to be growing stronger, rather than fading, "intangible" possessions (e.g., family, friends, self-respect, a personal code of morals) have always been highly prized by Americans and will continue to be so, according to Roper. Thus, the fact that many Americans desire more material possessions does not make them less attached to traditional values.

Attention to social issues—like homelessness, education, and the environment—is growing, but The Roper Organization attributes this to a decline in worries over macroeconomic issues and foreign affairs.

Top Issues of Concern

AIDS, crime, and drug abuse top the list of issues that Americans are most concerned about, according to a 1988 poll by The Roper Organization. The top five concerns are AIDS (43 percent of those polled), crime (33 percent), drug abuse (32 percent), inflation (28 percent), and the homeless (25 percent).

AMERICAN LIFE-STYLES AND ATTITUDES

The American population encompasses many generations, each of which has lived through varying social, economic, and political circumstances. Thus, each has a different perspective on American life. Opinion polls and other research methods make it possible to generalize about the different sets of attitudes and values.

Baby Boomlet

In 1989 the baby boomlet—the approximately 43.6 million people born between 1977 and the present—is aged 0 to 12. Projections indicate that 1989 may be the peak year for the baby boomlet, since most of their parents, the baby boom generation (aged 25 to 43 in 1989), are moving out of peak childbearing years. However, the boomlet is expected to continue into the 1990s.

Baby Bust

The baby bust—the 38 million Americans born between 1965 and 1976—is aged 13 to 24 in 1989. The baby bust is about half the size of the baby boom generation. One in every six Americans is a baby buster.

The tail end of the baby bust is the smallest portion of the generation. There were only 12.6 million births during the last four years of the bust.

The baby bust is a diverse generation; its members are considerably more racially mixed than those of the baby boom generation. The baby bust generation also appears to hold socially liberal attitudes. But on some social issues—such as legalization of marijuana—Busters are more conservative than were Boomers at the same age. And on personal economic matters, Busters are much more conservative and less altruistic than the baby boomers are. Politically, too, Busters are much less likely than baby boomers to categorize themselves as liberal—but neither do they consider themselves conservative. Most Busters describe their political views as middle-of-the-road. Born during the Vietnam War, Busters are decidedly noninternational and nationalistic.

For the most part, the baby bust generation was raised in pragmatic households. Societal changes that produced a greater incidence of divorce and of two-income families resulted in less parental support and supervision. Baby busters watched the younger Boomers (in some cases, their older siblings) struggle their way to adulthood in an uncertain economy and a crowded job market. As a result of this, the baby bust generation has shown signs of being a more ambitious, pragmatic, skeptical, selfish, goal-oriented, and materialistic generation (than previous generations have been). Busters believe very much that individuals must take care of themselves in a world in which institutions are not always reliable or responsive.

The baby bust generation will generally have it easier than its predecessor, the baby boom generation: the relatively fewer numbers of Busters will probably translate into less competition in the classroom and in the work force. Schools and employers are already having to compete for Busters, increasing the opportunities and wages for this group of Americans. The number of 18- to 24-year-olds will hit a low point in 1996. After that the baby boomlet generation will begin moving into the work years.

The Baby Boom

The baby boom—the 77 million Americans born between 1946 and 1964—is aged 25 to 43 in 1989. In actuality, the number of baby boomers is still growing—due to immigration—and will peak at 78 million in 1993, according to the Census Bureau. Currently, nearly one in three Americans is a baby boomer.

In general, baby boomers grew up in optimistic times and were raised in very child-centered homes. Families were generally large. Baby boomers grew up believing that, in the future, everything would be better than it was in the present. Baby boomers were raised with unprecedented choices. They expected economic security for themselves and their children, yet they live in times of economic uncertainty.

The high expectations of many of the baby boomers, particularly the younger ones, came up against the law of supply and demand. In the job market, the large number (supply) of Boomers led to lower wages at the same time that, as consumers, their large numbers (demand) were pushing up the prices of the goods and products they wanted.

Boomers sought (and are still seeking) social change, personal fulfillment, and affluence; many have found few of these. Money is their top concern, behind staying healthy, according to a 1988 poll commissioned by *Rolling Stone* magazine. (The poll surveyed Americans aged 18 to 44, and although this includes some baby busters, the vast majority of those polled were baby boomers.) Forty-four percent said they are worried about having enough money to live on when they retire, 41 percent said they are worried about being able to afford to send their children to college, and 38 percent said they are worried about having enough money to make ends meet. According to *Rolling Stone*, the baby boomers are not the materialistic "Me" generation as they have been portrayed; instead, this is a generation seriously worried about going under financially.

As Boomers become middle-aged (the oldest ones turned 40 in 1986), they are entering their peak earning and spending years. Their impact on the nation's economy is expected to be tremendous. For example, at current spending levels, a 1 percent increase in the number of households headed by

35- to 54-year-olds translates into an additional $8.9 billion in consumer expenditures per year. This is important for both the profit and the nonprofit sectors—especially since the 35- to 44-year old segment will grow 16 percent, and the 45- to 54-year old segment will grow 46 percent, in the 1990s.

The large baby boom generation can be segmented by age, education, and income. By age, older Boomers and younger Boomers generally have different life-styles: older Boomers are generally better off financially and are settled in families and homes, whereas many younger Boomers are still struggling to find both families and homes of their own. Each of these two segments also grew up in very different times.

Peter Kim, executive director of consumer behavior at the advertising firm of J. Walter Thompson, has segmented the baby boom generation by education and income into four groups: Yuppies, Workers, Elite Workers, and Would-Be's. Yuppies are high-education/high-income Boomers who account for 6 percent of the baby boom generation. Workers are the low-education/low-income Boomers. More than 10 times larger than the Yuppies, this group accounts for 67 percent of the baby boom generation. Elite Workers are the low-education/high-income Boomers, generally working in skilled crafts. Elite Workers account for 4.4 percent of Boomers, are overwhelmingly male, and have traditional households, values, and purchasing behavior. Would-Be's are the high-education/low-income group of Boomers, accounting for 22 percent of the Boom. Some of the Would-Be's will become Yuppies after they finish apprenticeships in fields such as law and medicine. The majority, however, are in occupations in which earnings are relatively low over the course of a career, such as pharmacist or teacher.

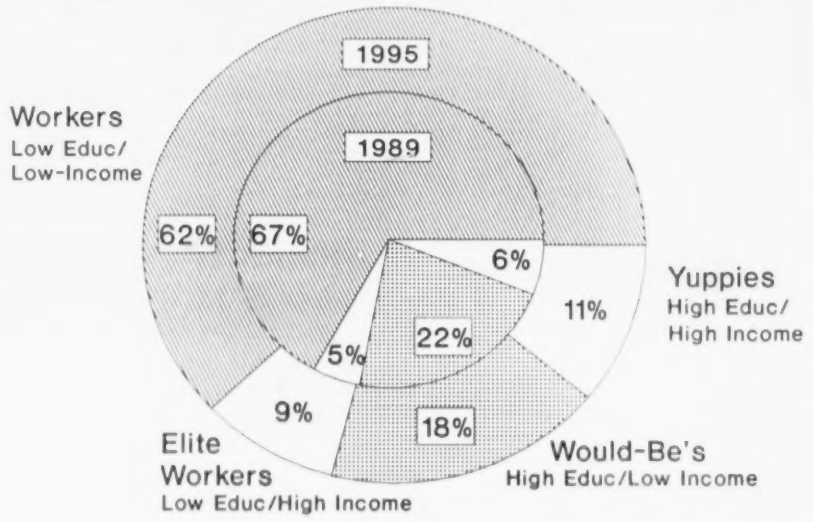
Most likely, baby boomers will grow in affluence during the remainder of the century. Yuppies are expected to nearly double their numbers (rising to 11 percent of baby boomers) by 1995, and Elite Workers are expected to fully double in size, reaching 9 percent. Would-Be's are expected to account for 18 percent, Workers for 62 percent, of baby boomers.

Older Americans

Today's older Americans are a heterogeneous group, and a large one. One in five Americans is now age 55 or over, and more than one in nine is age 65 or over. During the rest of the century, growth in the population segment aged 55 to 64 will be minimal, but the number of those aged 65 and older will be expanding at twice the rate of growth of the U.S. population under 65. The number of oldest old (persons aged 75 and over) is growing at the most rapid rate of the entire U.S. population.

Most older Americans are married. It is only after age 75 that single-person

More Baby Boomers to Have High Incomes
But Majority of Boomers will Remain Low-Income



Percentage of All Baby Boomers

Source: J. Walter Thompson, 1989

households (the majority of which are female) assume a slight majority. Most older Americans—90 percent of the population aged 55 and older—are white, although the number of minorities aged 55 and older is growing at a faster rate than the number of whites in that age group. More than 90 percent of older Americans were born in America.

Today's older Americans have a younger outlook on life than previous generations had: most view themselves as 10 to 15 years younger than their actual age. They are independent and place a great emphasis on self-indulgence and self-fulfillment. Still, they strongly adhere to traditional values, including concern about family, community, and country.

According to a 1988 study by the Yankelovich Group, the two top fears of older Americans are: maintaining current health (almost 80 percent of those age 60 and over are concerned) and staying mentally sharp (70 percent of those age 60 and over are concerned). These two threats to the active, independent life of many older Americans supercede worries over money, savings, self-care, future medical costs, and medical emergencies—even for people over 80 years of age.

Leisure

Leisure time is fast becoming the most precious commodity among Americans. Leisure time for Americans has declined 37 percent—from 26.2 hours a week in 1973 to 16.2 hours a week in 1989, according to a poll by Louis Harris Associates. During the same period, the average work week (including commuting) increased 15 percent, from 41 hours to 47 hours. The decrease in leisure time is a result of both increased working hours and increased activity during leisure hours. Louis Harris Associates also reports a proportionate decrease in both at-home and away-from-home leisure, negating the "cocooning" (spending more time at home) trend widely reported in the popular press.

However, according to sociologist John Robinson at the University of Maryland, longitudinal studies reveal that Americans' free time (all activities excluding work, sleeping, eating, shopping, housework, and child care) in 1985 was up about 10 percent since 1965, to 5.5 hours per day (38.5 hours a week). And though more women are working outside the home, actual time at the job has dropped, according to Robinson. Women's average hours on the job dropped from 39 hours a week in 1965 to 31 hours a week in 1985, and men's average hours on the job from 49 to 42.

Respondents to the Maryland studies were asked in detail about specific daily activities (reflected in a time diary); respondents in the Louis Harris Associates poll were asked how many hours they believed they spent at leisure and at work. Sociologists agree that the discrepancy between the results may be accounted for by the fact that most Americans feel more rushed and, as a result, believe they are spending more time working and less time at leisure. Today, people's schedules are more ambitious—with not enough time to fit in all the things people need and want to do. Americans are having to streamline their leisure hours by establishing priorities among their leisure activities. The time shortage, sociologists say, is a perceptual problem—due to the increasingly busy lives of Americans—and not a factual one.

Americans' Leisure Time Has Increased While Hours At Work Have Declined
1965 to 1985

Source: University of Maryland, 1989

RELIGION

Membership Trends

In 1987 U.S. church and synagogue membership totaled 142.7 million for 220 religious bodies, a loss of nearly 127,000 (for 218 religious bodies) from the previous year. Between 1985 and 1986, in contrast, membership in U.S. religious organizations had risen by more than 754,000.

Between 1985 and 1987, the Roman Catholic church was the only religious organization that gained members. Membership in Buddhist organizations remained steady, and membership in the following religious organizations (by broad category) declined: Eastern churches, Jewish organizations, Old Catholic (including Polish National Catholic and American churches), and Protestant churches.

According to a study by the Institute for the Study of American Religions, new religions that proliferated in the United States during the past 20 years and were expected to fade away have, instead, been growing. Most have shown a pattern of continued high-level recruitment of new members, net growth, and geographical spread. Most are offshoots of older religions, such as Hinduism, Buddhism, Islam, Spiritualism, Adventism, Christian Science, Mormonism, or others.

Church Closings (Catholic)

The largest en masse closings of parishes in the history of the U.S. Catholic church has been occurring in 1989 in Detroit, Michigan. Thirty-one parishes there were closed by mid-1989, and an additional 25 parishes are in danger of being closed by year-end.

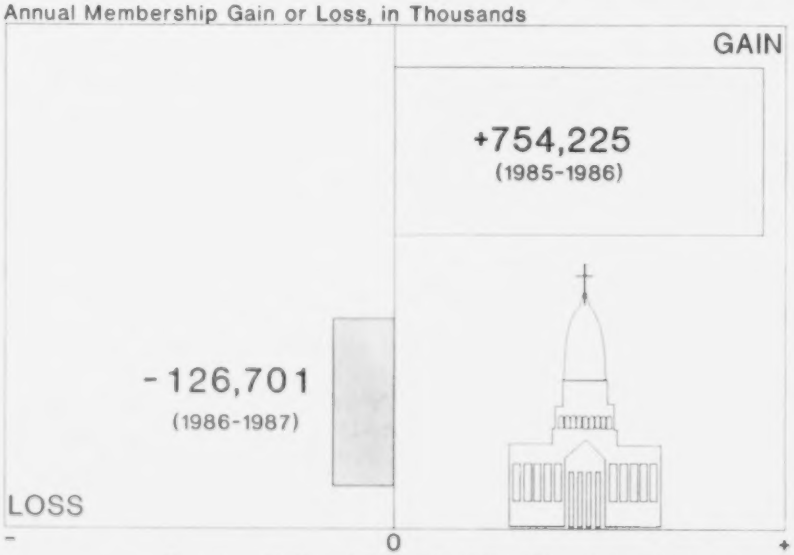
The closings result from the movement to the suburbs of many Catholics in recent years, a movement that has meant dwindling support for the inner-city parishes left behind. The closings are expected to affect the delivery of human services in those areas, since many of the churches being closed had provided shelter for the homeless, emergency food and clothing, and services to the elderly.

Pulpit Politics

Many church bodies continue to make statements on major social and political issues. Church groups have taken stances on, for example, U.S. aid to the Contras, the responsibilities of Christians in a nuclear age, homosexuality, the international debt crisis, the fact that American corporations deal with South African businesses, and so forth.

Membership In U.S. Religious Organizations

Slight Decline in 1987 After Previous Large Gain in 1986



Source: National Council of the Churches of Christ in the U.S.A., 1989

Televangelism Scandals

The United States has 220 religious television stations, 3 Christian networks, and 1,370 religious radio stations. A 1985 Nielsen survey showed that, in any given week, 60 million Americans watch at least one major religious program.

Scandals involving televangelists were widely publicized in the American media in 1987 and 1988; the morals and methods of some of the best-known religious activists in the world were questioned. The scandals seem to have had an effect on other televangelists. In 1987, 72 percent of the respondents in a Media General/Associated Press poll felt that Jim Bakker's scandal and resignation hurt all television evangelists. Only 14 percent of the adults polled said they contributed money to televangelists. In fact, most televangelists experienced a drop in funds and viewers while the scandals were being publicized. Additionally, the number of households tuning in to the five major televangelists fell by almost half between 1986 and 1988.

New Age Harmonies

New Age thinking is a form of utopianism based on the desire to create a better society—a "new age"—in which humanity lives in harmony with itself, with nature, and with the cosmos. This type of thinking encompasses belief in astrology, in the power of crystals, and in therapeutic touch (for healing), UFOs, channeling, and so forth. The most prominent characteristic of New Age is its holistic perspective.

Though it is hard to say exactly how many Americans believe in which parts of the New Age, the movement as a whole is growing steadily. Still, the number of Americans who believe in many of the aspects of New Age is on the decline. For example, only 43 percent of Americans believe in extrasensory perception, down from 50 percent in 1985. Belief in astrology is also down, from 23 percent in 1985 to 18 percent in 1988. Concerning crystals and any powers of healing or tranquility they might have, only 5 percent profess to be believers, whereas 71 percent either have not heard of the concept or simply do not believe in it.

Another aspect of New Age is the apparent movement toward "natural" products—such as natural toothpaste and natural foods. Americans seem to be increasingly interested in such products. New Age thinking is also displayed in the environmental movement.

CRIME

According to the Bureau of Justice Statistics (BJS), crime in America is remaining steady, but high. One in four American households was touched by a crime of violence or theft in 1988, the same proportion as in the previous four years. A household is considered touched by crime if, during the year, it was affected at least once by a burglary, automobile theft, or household theft, or if a household member was raped, robbed, or assaulted or was the victim of a personal theft no matter where the crime occurred. In 1988, as in earlier years, households with high incomes, households in urban areas, and black households were more vulnerable to crime than were others.

According to the FBI, however, in 1987 the amount of serious crime was up 2 percent, and it was up in all regions of the country except the West. Nationally, the 2 percent increase represents less of an increase than the 5 and 6 percent increases that occurred in 1985 and 1986, respectively.

The FBI figures are based on crimes reported to police, whereas the BJS figures are based on Census Bureau interviews and measure both reported and unreported crimes. The BJS figures are important because more than two-thirds of crime victims in America do not report the crime to police.

Most criminals say the major reason they commit a crime is to get money to pay their living expenses. The next most common reason is to get money for drugs or alcohol, followed by their being under the influence of drugs.

Family Violence

Child Abuse. According to the 1988 study by the U.S. Department of Health and Human Services, more than 1 million children a year are victims of child abuse and neglect, an increase of two-thirds over 1980 estimates. About half of the cases involve abuse—physical, sexual, or emotional. The other half involve neglect—either of a child's physical needs (for things such as food, shelter, or clothing) or of its educational and emotional needs. The study reviewed cases in which a local or state child protection agency had either substantiated proof or reasonable cause to believe that a child was maltreated in 1986. The health or safety of an additional 600,000 children was endangered by abusive or neglectful treatment. According to the House Select Committee on Children, Youth, and Families, the majority of the 1.6 million abused and neglected children did not receive child protective services from public agencies.

The American Association for Protecting Children (AAPC) cites even higher numbers of abused and neglected children for 1987: 2.2 million. The AAPC states that for every reported case, there are more than two likely cases of abuse or neglect known to some professional caseworker in the community but not being counted—further increasing the number of abused and neglected children. The figure for the number of reported cases of child abuse and neglect, according to the National Committee on the Prevention of Child Abuse, rose from 2.2 million in 1987 to 2.3 million in 1988. Since 1980, the number of reported cases of child abuse and neglect has risen over 100 percent. Of particular concern is the increase in reported deaths from child abuse and neglect, up from 899 in 1985 to 1,225 in 1988—an increase of 36 percent.

It remains unclear whether the higher numbers mean that the number of children actually being abused has risen or whether there is simply increased recognition of maltreatment by child-care professionals.

Regardless, the number is huge and is clearly larger than was thought at the start of the decade.

Elderly Abuse. An estimated 1.1 million elderly Americans are abused annually. Nearly six in seven (86 percent) of the abused elderly are mistreated by members of their own families. One study suggests that as few as 1 in 14 incidents are actually reported; most cases are reported by secondary or tertiary sources, not by the person being abused.

There is no recognized definition of what constitutes elderly abuse. Abuses of the elderly range from physical (assault, neglect, deprivation, rape) and psychological abuse (verbal assaults, calculated verbal acts with intent to drive persons to insanity or suicide) to financial abuse (provider taking money from elderly for care and then not providing care).

Spouse Abuse. Between 2 million and 6 million women are battered each year, according to the National Coalition Against Domestic Violence (NCADV). In most cases, the abused wife is not living with her husband: according to the Bureau of Justice Statistics, three in four victims of spouse abuse were divorced or separated at the time of the abuse.

Spouse abuse has been identified as a major precipitating factor in cases of female alcohol and drug abuse, child abuse, attempted suicide, and situational disorders. Child abuse, for example, is more likely in homes where the wife is battered, and often the child witnesses the abuse of the spouse. The NCADV estimates that, of these children, 60 percent of the boys will grow up to be batterers, and 50 percent of the girls will grow up to be battered women.

Youth Violence

Youth violence appears to be on the rise in America. Most obvious in 1988 has been the rise in the activity of youth gangs around the country. Youth gangs are nothing new in the United States. What is new is the wealth of today's gangs, derived mostly from sales of illegal drugs.

To many young Americans, gangs may more than ever seem the quickest way out of poverty. However, youths from lower-class minority groups are not the only gang members. The emergence of gangs among middle- and upper-class youths—such as the rise of white supremacist youth gangs like the "Skinhead" gangs—has also been noted. Although not all Skinheads are racists or neo-Nazis, those who are have been committing increasing numbers of racially motivated crimes.

Increasingly, the streets of U.S. cities are not the only places where youth violence is on the rise. Across America, the number of youths using and being harmed by guns is rising at an alarming rate and many of these incidents are occurring in the nation's schools. Three million crimes are committed on school grounds each year, during which close to 200,000 people are injured.

A major reason for the rise in handgun use by teenagers is the buying and selling of illegal drugs. However, the shootings have as many causes as the youths involved, ranging from hallway disputes over a girlfriend, to one teen's theft of another teen's jacket, jewelry, or tennis shoes. Disputes that were once settled by simple pushing and fist fights are now ending with the use of deadly force.

Handgun Control

Many law enforcement officials believe that lax handgun laws are to blame for the fact that the United States has a higher crime rate than most of 41 other countries. According to a 1988 Department of Justice report, the United States has from four to nine times more violent crime (murder, rape, and robbery) than do 41 similarly developed nations.

The majority (62 percent) of Americans believe laws regarding the sale of handguns should be made more restrictive.

Citizen Patrols

Millions of American citizens are joining together to fight crime in their own neighborhoods. In 1987, more groups were forming and revitalizing their efforts than ever before. According to the National Association of Town Watch, a clearinghouse for crime watch groups, there are now approximately 18,000 neighborhood crime watch groups in the United States. Police officials estimate that within the first year of operation of a crime watch group, crime in the area drops an average of 35 percent.

Prisons and Prisoners

A record 627,402 inmates were held in federal and state prisons in 1988—an increase of 90 percent between 1980 and 1988. The number of prisoners increased 7.4 percent in 1988 over 1987—translating into a need for more than 800 new prison bed spaces per week. The population of the nation's city, township, and county jails rose 32 percent between 1983 and 1987, reaching 296,873 in June 1987. It is projected that prison populations will top 1 million by 1991.

The increase in 1988 is attributed to the heightened likelihood that a serious offender will receive a prison sentence and a 113 percent increase in the number of adults arrested for drug trafficking, according to the U.S. Justice Department.

Most inmates are released after a median incarceration of nearly 17 months. Recidivism rates are up to 63 percent. Recidivism rates are higher for men, especially those who are black or of Hispanic origin and who have not completed high school. Recidivism is highest during the first year of release. It is these thousands of repeat offenders who are the major cause of overcrowding in America's prisons today.

In the last decade, the number of women prisoners more than doubled—going from 12,000 to 29,000. Eight in 10 women prisoners were mothers, most of them unmarried.

Youth Incarceration

There were 53,503 youths in public juvenile facilities in 1987, up 24 percent since 1979. Nearly all (94 percent) of the juveniles held in 1987 were held for criminal-type offenses; 86 percent were male, and 82 percent were between the ages of 14 and 17.

Between 1985 and 1987, the rate at which juveniles were held in custody increased 12 percent. The number of black and Hispanic youths held in public juvenile facilities increased 15 and 20 percent, respectively, while the number of white youths in custody decreased slightly. The increases were not due to an increase in violence; the number of youths held for serious violent crimes fell 8 percent between 1985 and 1987, but the number held for drug and alcohol offenses increased by 56 percent.

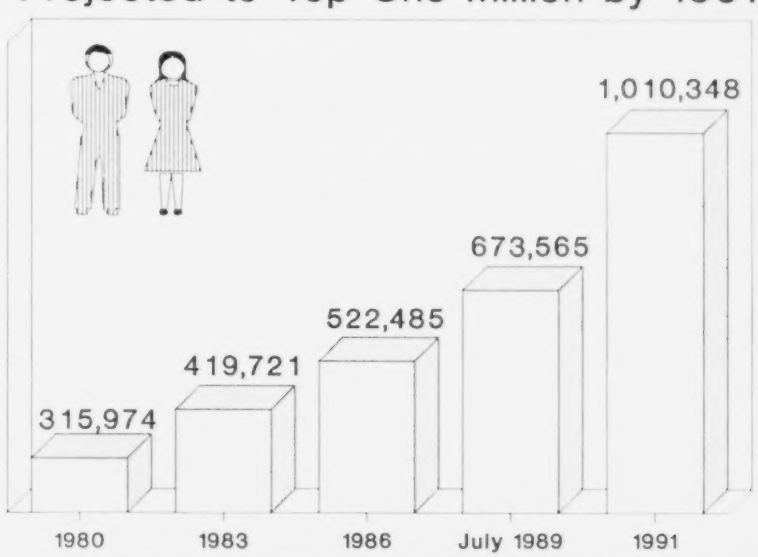
The largest number of youths are held in long-term, state-operated institutional facilities. Over 25,000 youths were in long-term, state-operated juvenile institutions at the end of 1987, up 5 percent since 1985. Almost 43 percent of the youths in custody had been arrested more than five times.

White-Collar Crime

White-collar crime refers to a group of nonviolent crimes that generally involve deception or abuse of power for unlawful (usually financial) gain. This includes business-related crimes, abuses of political office, some aspects of organized crime, and the newly emerging areas of high-technology crime.

Little data are available on the extent of white-collar crime. However, when persons are prosecuted (at the state level) for a white-collar crime, nearly three in four will be convicted. In just one area of white-collar crime—

State and Federal Prison Population Projected to Top One Million by 1991



Data: U.S. Bureau of Justice Statistics, 1989
Projection: National Council on Crime & Delinquency, 1989

computer crimes—the cost to U.S. companies was more than $500 million in 1988, according to a study by the National Center for Computer Crime Data. Studies suggest that, at a maximum, only 15 percent of computer crimes are ever detected.

During 1985, 10,733 defendants were convicted of federal white-collar crimes, an increase of 18 percent in the number of white-collar convictions since 1980. Those charged with white-collar crimes were, on average, more likely than other types of defendants to be women, nonwhite, over age 40, and to have attended college.

Drug Use and Crime

Results from a 1986 survey of inmates at state prisons indicate high levels of drug use prior to the commission of the crime for which they were incarcerated. More than one in three (35 percent) report they were under the influence of drugs at the time they committed their current offense. Half of the inmates, however, reported that they began to use drugs (particularly major drugs such as heroin, cocaine, and PCP) only after their criminal careers had started. Still, field research does show that drug addicts commit crimes with greater frequency than do nonaddicts. Also, the degree of major drug use is related to the number of prior convictions: the greater the use of major drugs, the more prior convictions the inmate was likely to have experienced.

In the last quarter of 1988, more than one-half of the male arrestees in 14 major U.S. cities tested positive for a drug. At least 45 percent of arrestees charged with violent crimes or income-generating crimes (including robbery, burglary, and theft) tested positive for a drug.

Of the 25,000 youths in custody in long-term, state-operated facilities, more than 80 percent reported prior use of an illegal drug; almost 40 percent of those who had previously used drugs began using drugs before the age of 12. Nearly 40 percent reported they were under the influence of drugs at the time of their current offense.

Drug abuse is also closely tied to family abuse. The National Committee on the Prevention of Child Abuse reports that substance abuse is the dominant characteristic among caretakers reported for child abuse and neglect. In Washington, D.C., for example, between 1985 and 1987 there was a 71 percent increase in requests for foster care for children as more children were being abused, neglected, or abandoned by parents involved with drugs. About 80 percent of District children who required foster care in 1987 came from homes where there was some kind of illegal drug use.

Use of Illegal Drugs During Committal of Crimes is High

Source: U.S. Bureau of Justice Statistics, 1988

EDUCATION

The 1980s have witnessed a growing concern over the quality of the nation's schools and the pupils graduating from them. Former Secretary of Education William Bennett, in the 1983 report *A Nation At Risk*, cited the need for major educational reform.

American business has responded by showing increasing interest in helping to ensure that American students get a solid education, recognizing that today's students are the future workers of America. And, all 50 states have adopted some type of reform since 1983 (some started before 1983). Roughly 40 states have raised high school graduation requirements, 46 states have mandated competency tests for new teachers, 23 have created alternative routes to teacher certification, and 6 states are now legally empowered to "take over" educationally deficient schools.

Despite the problems the nation's schools may have, gains have been made in many areas of education. A record percentage of Americans are high school graduates: 76 percent of adults over age 24 were at least high school graduates in 1987, up from only 51 percent two decades ago. One in five Americans has a college degree—double the rate of 10 years ago. Although this improvement continues a long-term trend, it no longer represents a rising level for each successive generation. America has, it appears, reached a plateau in educational attainment for young people. The median number of years of school for people aged 25 to 34 is 12.9—a level which has remained constant since the mid-1970s. Today's high educational attainment represents the aging out of less-educated older generations, rather than increasingly higher levels of educational attainment.

There is also a continuing educational gap between white Americans and members of some ethnic groups. Among the population aged 25 years and over, 77 percent of white Americans are high school graduates and 20.5 percent are college graduates; among blacks, the corresponding figures are 63.4 percent and 10.7 percent; among Asians and members of other races, 78.4 and 33.4 percent; among Hispanics, 50.9 percent and 8.6 percent. Also, college enrollment levels for blacks and Hispanics are not improving relative to that of white Americans among today's young adults.

Leading educators estimate that as many as a third of the nation's school-age children have at least one serious "strike" against them upon entering school—they live in a single-parent household, or have a poverty-level family income; have non-English-speaking parents; or are members of a minority group with a pattern of below-average academic achievement. For many of these students school has the need to be redefined. Increasingly, schools are likely to evolve into community social-service centers, providing everything from prenatal counseling (for student mothers) to job placement.

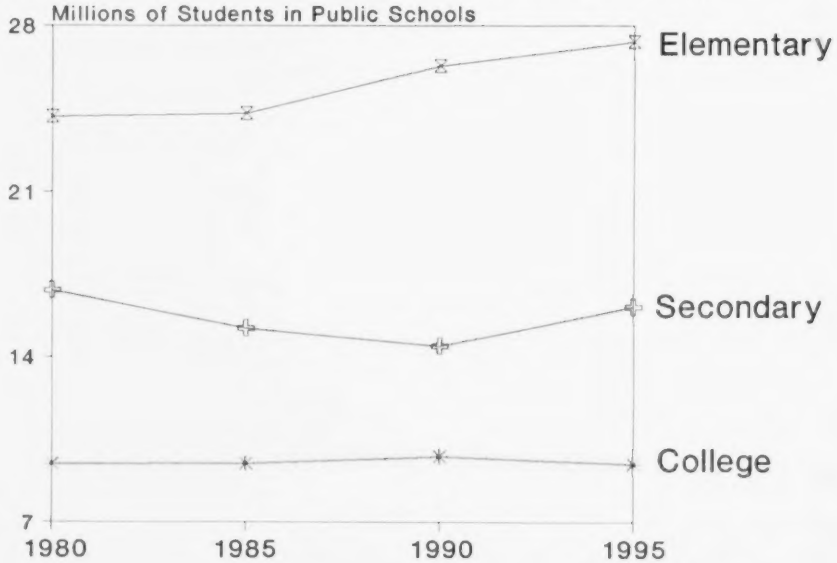
School Enrollments

Elementary and Secondary Enrollments. Between 1975 and 1985, enrollment in the nation's elementary schools (kindergarten through grade 8) declined 11 percent, and the number of youths enrolled in high schools (grades 9 through 12) dropped nearly 13 percent. Elementary school enrollment will increase into the 1990s, however, as will enrollment in high schools.

College Enrollments. In the 1988-89 academic year, college enrollments rose, boosted partly by an influx of immigrants, the aggressive recruiting of minority students, and a 3 percent rise in the number of high school graduates. Other trends that helped push enrollments up were increasing community college enrollments, increasing numbers of part-time students, and rising participation and retention rates among traditional-age students.

Between 1976 and 1986, total college enrollment grew by more than

Elementary and Secondary Enrollment to Rise in 1990s
College Enrollment to Decline Slightly



Source: U.S. National Center for Education Statistics, 1989

1 million students. Racial and ethnic distinctions, however, are noteworthy. Enrollment of black males fell by 34,000 during that period—the largest decline in college participation for any racial or ethnic group, according to the American Council on Education. This decline occurred even though black students have been completing high school at an increasing rate, up from 68 percent in 1976 to 76 percent in 1986. A significant number of black males are thought to be entering career vocational schools rather than colleges. Black college enrollment as a whole rose 0.5 percent (enrollment by black women has remained steady). The number of Hispanics enrolling in college rose 17 percent between 1984 and 1986, while the number for Asians went up 15 percent. American Indian enrollment increased 15 percent.

After 1990, college enrollment is projected to decline, when the increasing numbers of older students no longer offset the declines in the enrollment of younger (traditional college-age) students.

Alternative Schooling

More year-round classrooms are likely in the future, as are more magnet schools in the arts and sciences and more options of other kinds. Some 385,000 U.S. students are enrolled in year-round schools—and their numbers could reach several million by the year 2000.

Home schooling is on the rise. Some 600,000 to 800,000 children—close to 1 percent of all children of school age—are taught at home, and their numbers are doubling every year. The home school movement is projected to top out at 5 percent of all school-age children by the year 2000.

High School Dropouts

The national high school dropout rate continues to hover around 30 percent—about the same percentage as 15 years ago. Approximately 700,000 students drop out of school each year, and another 300,000 have chronic truancy problems. In large cities, the dropout rate ranges between 40 and 60 percent. Hispanics are reported to have the highest dropout rate at 29 percent, compared to 18 percent for blacks and 14 percent for whites.

Dropping out of high school is strongly linked to social problems. For example, 62 percent of all prison inmates are high school dropouts, and more than half of all welfare families are headed by high school dropouts.

Teachers

America's teaching work force continues to be faced with low wages, low prestige, and high stress, in spite of the advances made in response to the national call for quality education. The average salary for all teachers reached $29,567 in 1989. Although this represents an increase of 97 percent since 1979, when adjusted for inflation the increase is 12.3 percent (barely 1 percent annually), according to the National Education Association.

A study of American teachers by the Carnegie Forum on Education and the Economy, *A Nation Prepared: Teachers for the 21st Century*, reports that 17 percent of prospective public school teachers in 22 states recently failed certification exams, and that some experienced teachers were found unable to perform at acceptable levels when tested on the skills and subjects of their field of teaching. In addition, students interested in pursuing a career in teaching received lower SAT scores by a substantial margin than the average college-bound student. Experts say that the deficiencies in the quality of recruiting, teacher training, and systems for assessing teacher credentials are likely to be exacerbated by a simultaneous demand for quantity. Although there has been some improvement in the 1980s, by 1992 the United States will have to fill 1.3 million teaching positions—the equivalent of half of the existing teaching work force. If current trends continue, by 1995 American schools are projected to be short 700,000 qualified teachers. A shortage of college professors is also expected in the mid-1990s, especially in engineering, math, and science.

Higher Education

U.S. colleges and universities, faced with declining numbers of traditional-age undergraduates, increasingly are recruiting older Americans as students, adjunct faculty, career counselors, and so forth. About 1,000 colleges allow persons over age 65 to take classes for credit, and as many as 120 schools have adopted special programs for the elderly. Most of the programs allow the older students to pay a substantially lower rate per credit hour than other students. Increasing numbers of schools will be reexamining and expanding their commitment to education for the elderly.

The nation's graduate schools are enrolling increasing numbers of foreign students. Thirty-five percent of the math Ph.D.'s granted in 1985 went to non-U.S. citizens, up from only 19 percent a decade before. Foreigners earned 41 percent of engineering Ph.D.'s, up from 35 percent in 1976 and 27 percent of computer science Ph.D.'s, up from 19 percent.

Community Colleges. Community, technical, and junior colleges enroll approximately 43 percent of the nation's undergraduates and 51 percent of all first-time entering freshmen. Minorities, who make up an increasingly greater proportion of the college-age population, are choosing community colleges in disproportionate numbers: approximately 55 percent of all Hispanic undergraduates, 57 percent of Native American Indian college students, 43 percent of black students, and 42 percent of all Asian students who attend institutions of higher education in America. Community

colleges also enroll the majority of disabled students, including the majority of learning-disabled students.

Since their inception, community colleges have focused more on offering vocational programs designed as preparation for jobs rather than on academic programs that would lead to transferring to a four-year institution. This is particularly true of two-year technical colleges. Most community colleges still provide a transfer program and, while the transfer rates to four-year colleges are down, a fair number of students eventually do transfer. Still more than half of community college enrollees end their studies before they receive a degree.

Community colleges devote considerable resources to upgrading the basic skills of their students. Many even provide customized training courses for individual employers.

The Corporation as Teacher

U.S. corporations continue to invest in education and training programs. In the last decade, the percentage of companies with 10,000 or more workers that offer remedial education has doubled, going from 15 to 30 percent; by the year 2000, the figure will be more than 65 percent.

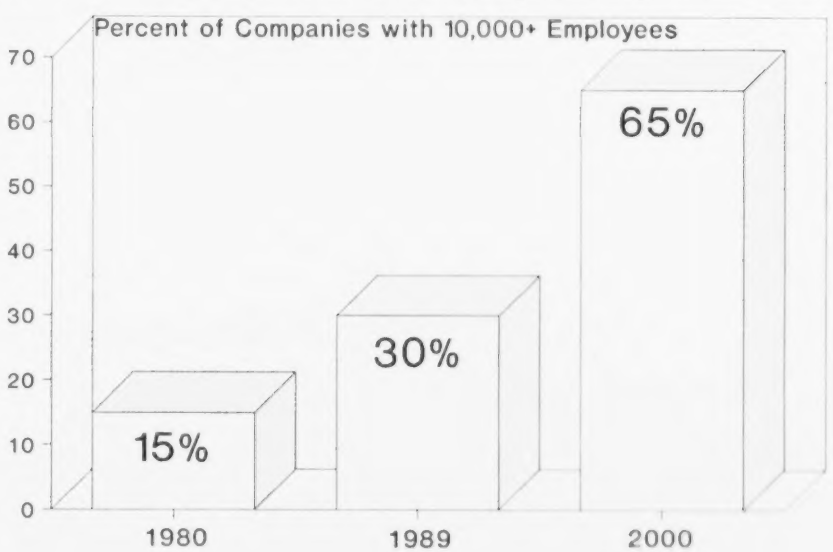
U.S. employers spend $210 billion annually on training for the entire work force, an increase of more than 70 percent between 1985 and 1988, according to the American Society for Training and Development. Only about $30 billion of that total is put toward formal training, which only 10 percent of the work force receives. The rest goes to informal, on-the-job teaching.

Also rising is the number of corporate-sponsored programs that teach English to immigrant workers. By the year 2000, immigrants will fill more than one-fifth of all new jobs in the United States, prompting companies in virtually every industry to offer basic instruction in English.

For American corporations, venturing into the classroom means doing more than just offering training programs to workers. Realizing that today's students are tomorrow's workers, individual businesses have "adopted" 53,000 schools nationwide in an effort to boost the educational levels of the nation's future work force. Thus far, however, even the most ambitious partnerships between business and schools have failed to raise the test scores of students with poor academic records.

Only 13 percent of small businesses offer any formal training to workers with less than a high school degree. The small-business entrepreneur typically cannot afford to invest in training employees; those that have done so often find the workers soon leave for better-paying jobs with larger companies.

Over Half of All Large Companies to Offer Remedial Education for Employees by Year 2000



Source: American Society for Training and Development, 1989

HEALTH

The United States is a nation focused on health care—a nation that spends almost $1.5 billion a day on health care. In recent years, U.S. health-care costs have been rising faster than the rate of inflation. In 1987, the nation spent $500 billion on health care, nearly 12 percent of the gross national product. That figure is expected to reach 15 percent by the turn of the century, for a total of more than $1.5 trillion in the year 2000.

Americans' concern about the state of the nation's health-care system is rising as fast as the costs for medical care. Nonetheless, impressive gains in health have been made. Never before have Americans lived longer, healthier lives. By almost every traditional measure of health, Americans are healthier now, on average, than a generation ago.

The pattern of generally improving health among Americans conceals some exceptions, however. Not all Americans have shared equally in the overall improvement of health, and those who have not tend to be disproportionately poor and members of minority groups. For example, for the first time in this century, the life expectancy of blacks in the United States dropped for two consecutive years—between 1984 and 1986 (the most recent years for which statistics are available), while life expectancies among whites continued to rise. Blacks face twice the risk as whites of delivering a low-birthweight baby. Minorities also suffer disproportionately from cancer, heart disease, diabetes, and AIDS.

Physical Diseases

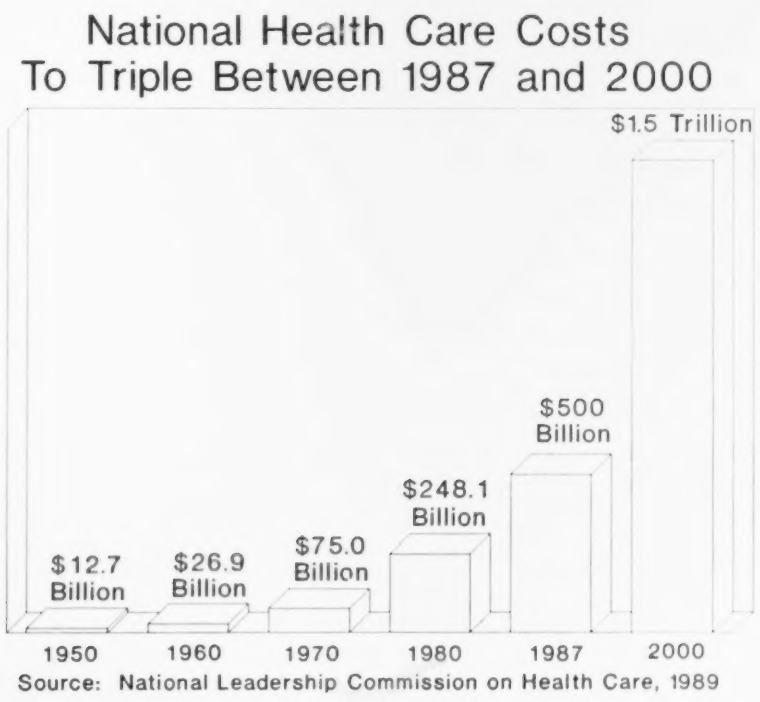
New technologies and treatments (most of which were introduced in the past 25 years), in combination with today's healthier lifestyles, have cut American deaths from heart disease by more than one-third, and deaths from stroke by one-half. And although heart disease still claims the lives of nearly one million Americans each year, that number is steadily declining.

Experts project that more people will inevitably die from cancer in the future. For older Americans (over age 55), by 2010 the cancer mortality rate is expected to increase by as much as 20 percent. For those under age 55 however, the cancer mortality rate is expected to decrease by 25 percent to 35 percent.

AIDS/Sexually Transmitted Diseases. Many medical experts consider AIDS (Acquired Immune Deficiency Syndrome) to be the gravest public health threat of this century. AIDS is a fatal viral infection that attacks the body's immune system, leaving patients vulnerable to numerous other infections.

Statistics on known cases and deaths attributed to AIDS are already alarming and are projected to increase more than five times between 1989 and 1991. The General Accounting Office, after analysis of various government and private projections, estimates that by the end of 1991 the cumulative total of AIDS cases in the United States could reach 480,000 (most of whom will have died). The National Center for Health Statistics predicts that AIDS will be one of the 10 leading causes of death by 1991; in 1987, it was ranked 15th.

Blacks and Hispanics make up a disproportionate share of AIDS patients. Only 12 percent of the U.S. population, blacks comprise 26 percent of all reported AIDS cases; Hispanics (8 percent) account for 15 percent of AIDS cases. The chief victims of AIDS have been homosexual men and intravenous drug users, although a small percentage of cases are attributed to transfusions of contaminated blood, heterosexual contacts, and infected pregnant women passing the disease to their fetuses. As a result of behavioral



change, the rate of new infection has stabilized among homosexual men. The spread of the virus is now increasingly attributed to intravenous drug abuse—placing women, infants, adolescents, and minority members involved in the drug culture or who exist on its fringes at ever higher risk.

Health officials believe that an additional 1.5 million Americans are carriers of the human immunodeficiency virus (HIV) which causes AIDS. Most Americans infected with HIV are young adults. Many of them are unaware that they are carrying the virus, and the number of those infected is doubling practically every year. It is estimated that all HIV carriers will eventually develop AIDS.

Of recent concern are the results of a joint study conducted by the American College Health Association and the federal Centers for Disease Control (CDC), which indicate that nearly 1 of every 500 college students is infected with the AIDS virus. This represents a slightly higher rate of infection among college students than was previously thought. At this rate, the AIDS infection among college students is less than the estimated infection rate among the general population which, according to the CDC, is between 4 and 6 of every 1,000 Americans.

Projected health-care costs related to the treatment of AIDS are significant and could amount to $16 billion annually by 1991 (1.4 percent of projected total health-care costs in 1991). Currently, private health insurance is the major source of funding for the medical care of AIDS patients. However, many AIDS patients have little or no health insurance.

AIDS has received the bulk of media publicity, but several other sexually transmitted diseases (STDs) are on the rise in the United States. Syphilis is making a comeback—up 17 percent in 1988 over 1987—and more recently recognized infections such as genital herpes and chlamydia are moving swiftly through the population. The extent of the epidemics is unknown, since only a fraction of the cases are reported to health officials, and many Americans are unaware that they are infected. Experts are of the opinion that at least 25 STDs strike millions of Americans each year, primarily teenagers and young adults. If left untreated, STDs can cause severe consequences, including heart damage and birth defects. Some 7,000 STD-related deaths occur each year in the U.S., many of them infants born to infected mothers.

Many health officials speculate that the increasing rates of STDs are largely attributable to the proliferation of crack cocaine. In major cities across the nation, officials report that "crack prostitution" among young women is flourishing as users perform sexual acts in exchange for crack or for money with which to buy it.

Future Diseases. Changes that are already occurring in the 1980s signal the health problems that lie ahead in the next century. Those changes include the aging of the population; an increase in the number of diseases of the immune system—not just AIDS—that are reaching epidemic levels; an increase in the number of people suffering from viral conditions that are not curable with conventional therapies; a rise in the number of newly defined viral conditions; a growing number of bacterial infections that become resistant to commonly used antibiotics; greater numbers of young people who are affected by a chronic disability; and a greater incidence of mental disease than in the past.

People With Disabilities

More than 37 million Americans over the age of 15 suffer from some functional physical limitation, and

13.5 million are severely limited. Among the severely limited, only 56 percent are age 65 and older.

(For further discussion on people with disabilities, see The Future World of Work section and the Technological Trends section; for a discussion of mentally disabled Americans, see the Special Trend section.)

Medical Personnel

Since 1983, nursing vacancies in hospitals nationwide have nearly tripled, to 11.3 percent. Never before have there been nursing shortages in every single state and in every clinical area. According to government statistics, in 1990 there will be a shortage of 390,000 registered nurses—almost half of the 803,000 nurses projected to be needed. By the year 2000 the shortage will be 600,000.

Physicians are also likely to be in short supply, according to a study published in an April 1988 issue of the *New England Journal of Medicine*. The study forecasts a shortage of 7,000 physicians by the year 2000. However, if demand rises at a higher-than-expected rate because of AIDS, changing insurance coverage, and technological advances, the shortage could reach 60,000 doctors. The American Medical Association (AMA), however, expects the number of physicians in the U.S. to outpace patient demand for services by nearly 10 percent in the year 2000—a physician oversupply. The AMA warns, though, that there may be a shortage of family physicians, especially in rural areas that are already underserved.

Medical Technology

Technological advances are occurring at a rapid rate in medicine. New diagnostic testing procedures, assisted by computers, will probably eliminate the need for much exploratory surgery. "Bloodless surgery" by means of advanced lasers will decrease patient trauma, decrease the length of hospital stays, and help lower medical costs. These and other techniques made possible by advances in technology will have profound effects on the health of Americans in the future.

Medical Ethics. With the emergence of the new medical technologies, medical ethics are taking on increasing importance. Technological developments have raised a variety of pressing bioethical issues: maternal versus fetal rights, euthanasia, patients' right to refuse treatment, genetic engineering, the use of genetic testing in refusing health insurance, and the decision as to who will get care if resources are limited (for example, today's overcrowding of intensive care units, which is leading some doctors and nurses to ration medical care only to the neediest who might be saved, not to those beyond help), among others.

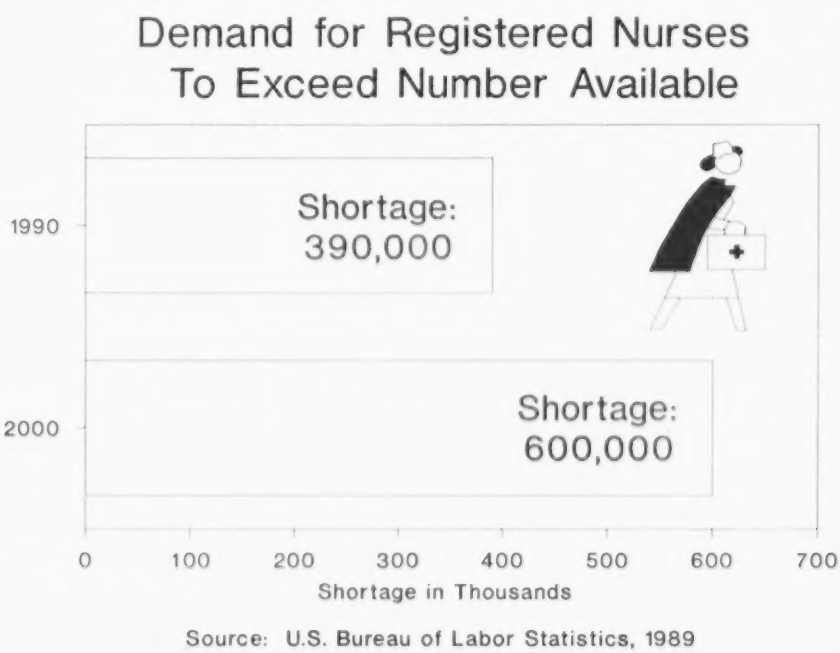
Health-Care Delivery

Hospitals are closing in record numbers, and those that remain open are largely shifting their care to outpatient services. Even more hospitals are expected to close in the coming years.

Walk-in clinics are growing in number. Such facilities offer alternatives to doctor's offices and hospital emergency rooms.

Traditional health-care financing through large insurance companies is being replaced by managed care: the provision of health care by companies such as health maintenance organizations. Traditional insurers are emerging as the dominant brokers of managed care, forming partnerships with local plans that are then linked into a network.

Alternative health-care delivery systems—marked by the rise in holistic medicine and self-help groups—are also becoming a new part of the system of health-care delivery in America. Holistic health practices include techniques such as biofeedback, acupuncture, chiropractic medicine, meditation, yoga, massage, hypnosis, and homeopathic medicine. Increasingly, health insurers are covering claims for some of these alternative therapies. In the future, the use of new medical technology will likely be complemented by increasing reliance on self-care practices, wellness



Source: U.S. Bureau of Labor Statistics, 1989

programs, therapeutic nutritional and fitness programs, and alternative healing practices such as acupuncture and chiropractic medicine.

Wellness. In a growing number of communities, Americans of all ages are changing their lives—becoming more physically active, controlling daily stresses, and eliminating unhealthy eating habits. People in increasing numbers are becoming aware that more than half of all deaths in this country can be linked to unhealthy habits.

Wellness is also being promoted at the workplace. A 1989 random sample of organizations with 50 or more employees, reported on in the May 1989 issue of *Psychology Today*, found that nearly two-thirds had at least one program promoting health and that the number of such programs is on the rise.

Long-Term Care

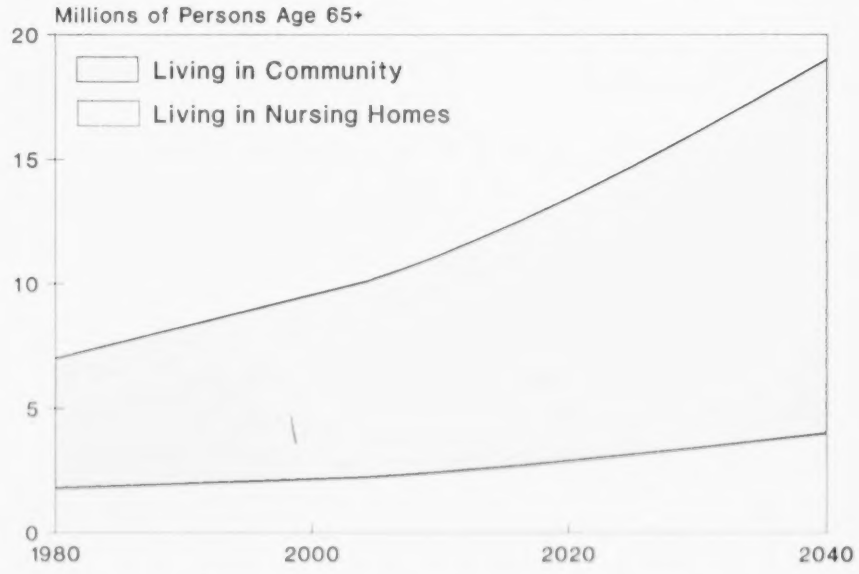
America's growing elderly population and the advanced technologies that may extend the life of a sick or disabled person (whether young or old) beyond what used to be the norm are causing an increase in the demand for nursing homes, home health-care services, and a wide range of other support activities that allow a sick or disabled person to live outside of an institution. Many of the long-term care needs of the elderly are more social than medical in nature; they involve lingering disability rather than disease, are enduring or degenerative rather than episodic or traumatic, and are largely outside the purview of doctors or hospitals. Also, the current insurance system is not well-coordinated with the private voluntary network that provides services such as Meals On Wheels, companionship, and transportation for the elderly. The United States currently has no comprehensive program for providing long-term care or for paying its high cost.

Seventy-five percent of all long-term care takes place in the home. And the types of services being provided include more than the commonly thought-of Meals On Wheels for the homebound, grocery shopping, and home nursing care. Increasing numbers of Americans are now receiving sophisticated medical care in their homes, from chemotherapy to kidney dialysis. As medical technology advances, the provision of these services is likely to broaden.

The vast majority of those who need long-term care are elderly. And, increasingly, greater numbers of America's elderly population are living longer than ever before. Already, some 6.6 million people over age 65 need some form of assistance from others. The number is expected to reach 9 million by the year 2000.

But elderly Americans are not the only persons who need long-term care services. By the year 2000, an estimated 40 percent of persons requiring long-term care are expected to be children and younger adults with disabilities. This will occur, in part, because medical advances will keep more sick people alive.

More Elderly Will Need Long-Term Care



Source: Population Reference Bureau, 1985

SOCIAL TRENDS

U.S. Population Growth and Movement

Population Age Structure

Minorities

Households and Families

American Value Systems

American Life-Styles and Attitudes

Religion

Crime

Education

Health

U.S. POPULATION GROWTH AND MOVEMENT

Between 1980 and 1988 the U.S. population grew by more than 18 million people, an increase of 8.5 percent. In 1988, the U.S. population was 245.8 million. Over 80 percent of the people who will make up the population of the United States in the year 2000 are now alive. Population in the U.S. is expected to reach 268.3 million by the year 2000.

Population Growth

The United States population is growing at just under 1 percent per year, and each year the rate of growth diminishes slightly. The growth is the result of both natural increase (more births than deaths) and immigration.

Natural Increase. The number of deaths occurring annually in the United States is increasing, but it is increasing at about the same rate as the population is growing. Thus, the annual death rate (deaths per 1,000 people) has remained virtually unchanged (8.7 deaths per 1,000) in the 1980s.

The number of births in 1988—3.9 million—was the highest number for any year since 1964, the last year of the baby boom. This 1988 birth total represents an 8 percent increase over the number of births in 1986 and is a post-baby-boom high. Still, the birth rate—70 births per 1,000 women in 1988—has remained virtually unchanged in a dozen years. But there has been a rise in the birth rate for women aged 30 to 35; in fact, women in their 30s account for one-third of the nation's births. The year 1989 is expected to be the peak year for births to the baby boom—and the beginning of the decline of the "baby boomlet."

Immigration

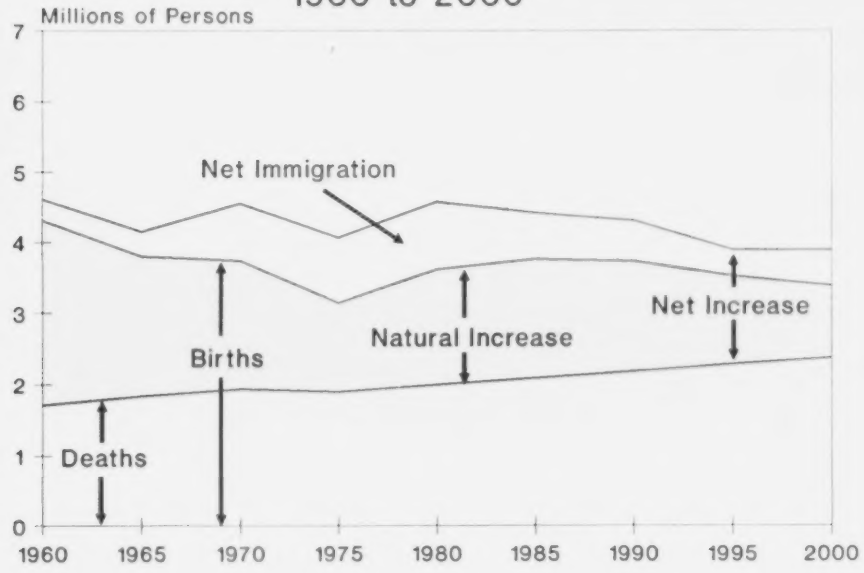
Immigration is now America's major source of population growth. In fact, beginning in 2019, immigration is expected to add more to the U.S. population than natural increase will, according to the U.S. Census Bureau. Thus, the racial and ethnic composition of the nation's population will continue to shift. Net immigration to the United States during the 1980s has accounted for approximately one-third of the nation's population growth, according to the U.S. Census Bureau.

In 1988, the U.S. Immigration and Naturalization Service recorded 643,000 legal immigrants, the greatest influx since 1924. During the 1980s, legal immigration has averaged 570,000 people annually. This is 30 percent higher than the annual average for the 1970s and substantially higher than the number in any year between 1924 and 1978. Another 200,000 immigrants are estimated to enter the country illegally each year. And hundreds of thousands of aliens with nonimmigrant status live legally in the United States. These aliens consist of students, temporary workers, visitors, traders, investors, and their spouses and children.

According to a 1988 study by the Center for Immigration Studies, immigration to the United States during the entire decade of the 1980s is expected to match or exceed that of the previous historic high—1900 to 1910, when there were nearly 9 million immigrants. The 2.4 million immigrants who have sought amnesty under the Immigration and Reform and Control Act of 1986 have swelled the projected total. Counting all immigrants—including amnesty grantees and illegal immigrants—by the end of the 1980s the total for the decade is likely to reach 11 million to 13 million.

The 1986 act allowed people who had lived illegally in the United States since before January 1, 1982, to apply for amnesty from deportation. (The year-long amnesty period ended in May 1988.) Amnesty recipients are permitted to work and receive temporary U.S. residency for 31 months, after which they are subject to deportation if they fail to apply for permanent residency.

Components of Population Change
1960 to 2000



Source: U.S. Bureau of the Census, 1989

Federal officials expect nearly all of the workers who applied for amnesty under the immigration reform act to apply for permanent residency. After five years of permanent residency, immigrants may apply for citizenship. (Spouses of U.S. citizens may apply for citizenship after three years.)

Between 1984 and 1988, Mexican-born immigrants made up the largest share of legal immigrants to the United States on an annual basis. They were followed by immigrants from the Philippines, China (including Taiwan and Hong Kong), Korea, Vietnam, India, and the Dominican Republic. Most new immigrants to the United States settle where others from their native country have settled, producing ethnic concentrations in many cities.

Illegal Immigration. Despite passage of the 1986 act, illegal immigration is still not under control. Exactly how many undocumented (illegal) aliens remain in the U.S. is unknown. Some immigration analysts claim the number is as high as 3.5 million. And illegal immigration from Mexico is actually on the rise. Recent illegal immigrants from Mexico are staying in the United States longer than their predecessors did, are increasingly arriving in family groups, and are coming in growing numbers from parts of Mexico (such as Mexico City and other large cities) that they did not come from in the past.

In the first six months of 1989 there was a dramatic increase in the number of children, unaccompanied by an adult, who illegally entered the U.S. from Central America. In just one immigration office in Texas, the number of these children averaged 202 monthly—up from 32 during the same months in 1988.

Refugees. In 1987, nearly 65,000 refugees arrived in the United States, down by one-third since 1982.

Throughout the 1980s the largest number of refugees were from Vietnam. Vietnamese refugees accounted for 35 percent of all refugees in 1987 and numbered nearly 23,000. This is a decline from the nearly 42,000 who arrived in 1982. The second-largest number of refugees in 1987 came from Laos (15,600); the number of Laotian refugees increased 62 percent between 1982 and 1987. Rounding out the top five countries from which the most refugees settled in the United States in 1987: Iran (6,700, up 94 percent since 1985); the Soviet Union (3,500, up 438 percent since 1985 and 27 percent since 1982); and Poland (3,450, up 21 percent since 1985, but down 47 percent since 1982).

Countries that today send few refugees could become significant sources of future immigration. (When a new group of refugees settles in the United States, it tends to become a magnet for later immigration by relatives.) Thus, although Angola, Bulgaria, Iraq, Cuba, and Hungary sent the fewest refugees in 1987, immigration from these countries may increase in the future.

Population Migration

Between 1980 and 1987, 25 states gained residents by people moving in from other states or from abroad, for a net gain of 8 million. The other 25 states had a net loss of 3.1 million people.

Most of the states with a net gain were in the South and the West. California took in the most new residents, followed by Florida, Texas, Arizona, Georgia, North Carolina, and Virginia. One-third of the U.S. population lives in those seven states, which accounted for nearly two-thirds of all U.S. population growth between 1980 and 1987, primarily because of high in-migration.

Nearly one in every five Americans (18 percent) changed residences between 1986 and 1987. The majority of those (11 percent of all Americans) merely moved to another residence in the same county. Of those who moved to a different county, 4 percent remained in the same state, and 3 percent moved to another state.

With the United States population growing less than 1 percent annually, migration is the major determining factor in state population growth and decline. According to the U.S. Census Bureau, between 1990 and the year 2000 migration should account for all of the population growth in Florida, for half of the population growth in California, and for one-third of that in Texas.

Demographic experts predict that mobility is likely to drop during the rest of the century. This will reflect the general aging of the U.S. population, driven by the aging of the baby boom generation. As a group, older Americans are least likely to move; younger people move at a much higher rate.

Metropolitan and Nonmetropolitan Populations

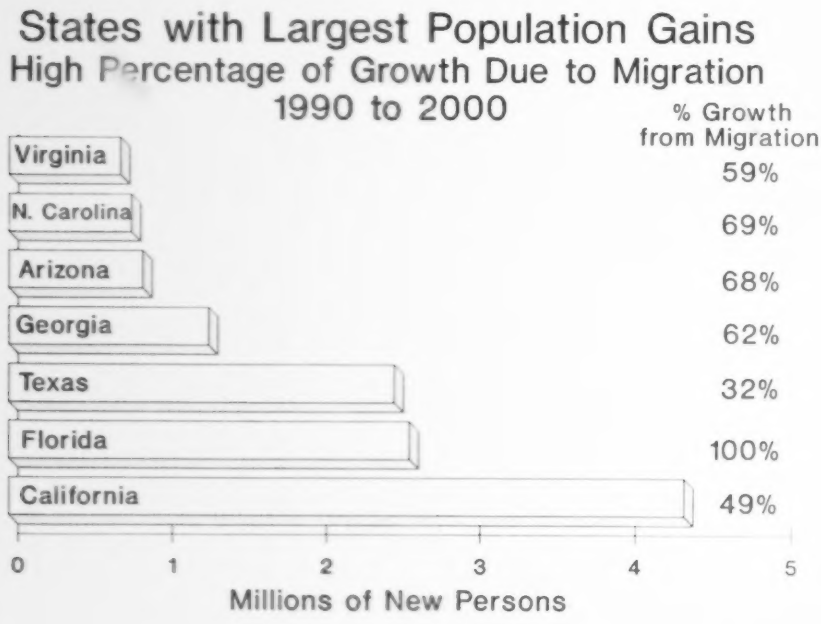
The United States is steadily growing more urban. More than three out of four Americans (77 percent) now live in a metropolitan area, up from 63 percent in 1960. A metropolitan area includes a central city of at least 50,000 and the towns and cities economically tied to it. Nonmetropolitan areas are rural and located beyond the suburbs.

Overall, between 1985 and 1986, metropolitan areas continued to gain population at the expense of nonmetropolitan areas. More than 600,000 more people moved to metropolitan areas from nonmetropolitan areas than the reverse.

One-fifth (or 56) of the nation's metropolitan areas, however, have been losing population in the 1980s. Of these, 31 are in the Midwest and 13 in the Northeast. (And there are still more Americans who want to live in a small town or rural area than who actually do live there.)

Within metropolitan areas, the suburbs gained the most migrants. More than 4 in 10 Americans now live in the suburbs—more than the number living in cities. Thus, the growth of metropolitan areas is increasingly tied to the growth of the suburban areas that surround the central city.

Moreover, today's suburbs are no longer just "bedroom communities" for nearby central cities, as they were in the past. The suburbs of today have been transformed into places where Americans live, shop, work, and pursue leisure activities. Suburbs are increasingly self-sufficient and are becoming urban entities all their own.



Source: U.S. Bureau of the Census, 1989

POPULATION AGE STRUCTURE

America's population is older than ever before. The median age rose to 32.3 years in mid-1988, up from 30 in 1980, and is expected to reach 36.5 by the year 2000.

The primary factor in the aging of the overall population is the movement of the huge baby boom generation (the 77 million persons born between 1946 and 1964) into middle age. (Approximately one in every three Americans is a member of the baby boom generation.) This is compounded by the falling number of young adults (aged 25 to 34) and the rapid rise in the number of oldest old Americans (aged 75 and over).

Another factor in the aging of the American population is increasing life expectancy. Life expectancy in 1986 reached a new high—75 years for babies born in that year. Life expectancy remains higher for girls than for boys: 78.5 for girls compared with 71.5 for boys. However, the gap between men's and women's life expectancy has been slowly closing over time because of greater increases in longevity for males than for females. The rise in life expectancy is attributed to continued declines in infant mortality and in deaths from heart disease—declines that offset rises in deaths from influenza, cancer, and AIDS. (AIDS could eventually have an adverse effect on national average life-expectancy figures because of its prevalence among younger people.)

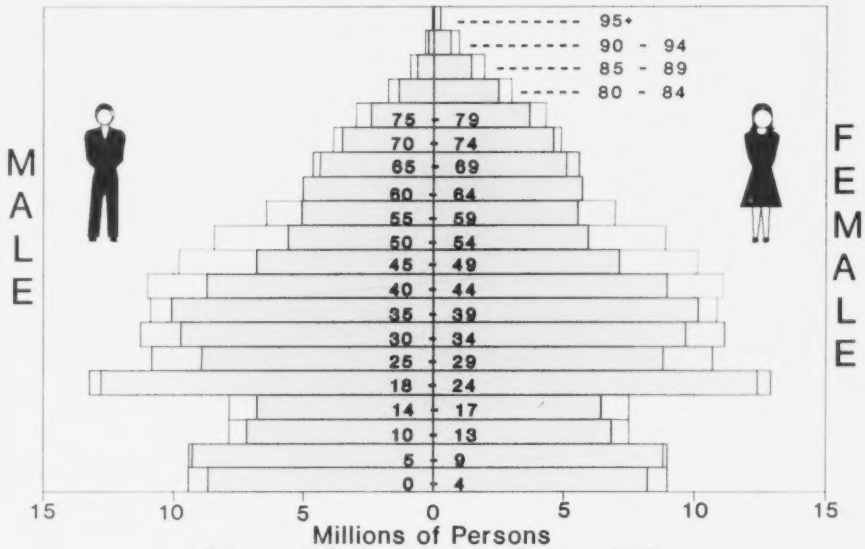
Population Age Trends

Population trends by age group are expected to vary dramatically during the rest of the century. The number of people under age 5 (18.3 million in 1988) will rise slowly through 1990 but will steadily decline over the remainder of the century. By the year 2000 the population under age 5 is projected to decline by nearly 8 percent to 16.9 million. The elementary-school-age population (aged 5 to 13) is projected to increase by more than 7 percent between 1988 and 1995 (up from 31 million in 1988 to 33.8 million in 1995). It will then decline slightly through the remainder of the century, for a total increase of 3 percent between 1990 and 2000. The high-school-age group (aged 14 to 17) is projected to decline through 1995 and then increase through the end of the century, rising from 14 million in 1990 to 15.3 million in 2000, up 16 percent.

The college-age and entry-level worker population (aged 18 to 24) will slowly decline from 27 million in 1988 to 24 million in 1995 and remain at that level through the year 2000. Between 1990 and 2000, the population aged 18 to 24 will fall 3 percent. It will then begin to slowly rise in number through 2005.

America's population of young adults (aged 25 to 34) will dramatically decline in number throughout the remainder of the century, falling over 15 percent from 44 million in 1990 to 37 million in 2000.

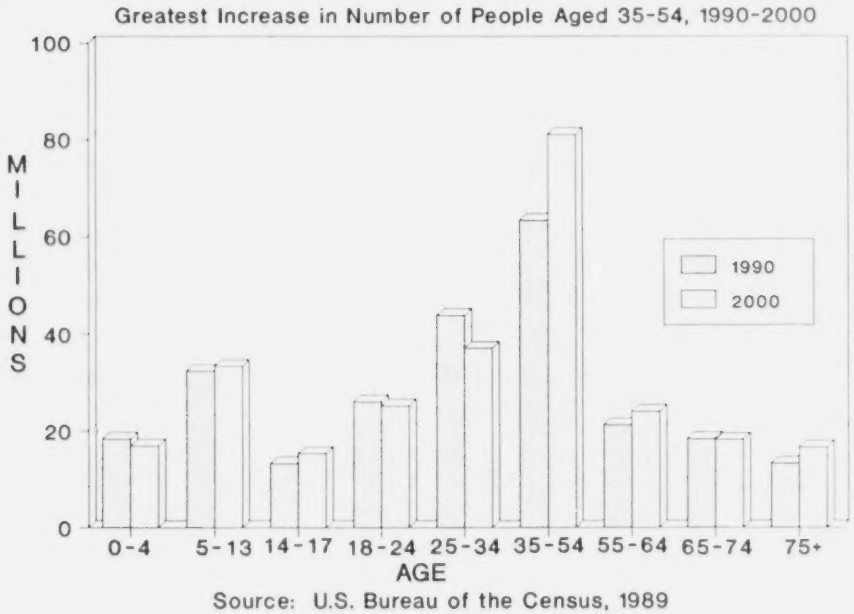
U.S. Population by Age and Sex
1990 to 2000



Source: U.S. Bureau of the Census, 1989

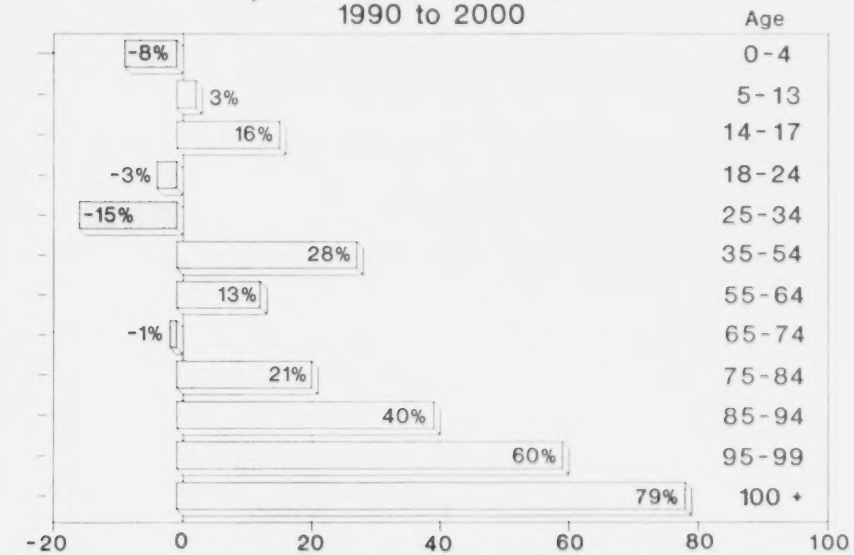
America's middle-aged population (aged 35 to 54) will rise sharply in number through the end of the century, as the baby boom generation moves into this age range. Their numbers will increase from over 63 million in 1990 to 81 million in 2000, an increase of 28 percent.

Middle-Aging of America



Source: U.S. Bureau of the Census, 1989

Number of Older Americans To Experience Fastest Growth



Source: U.S. Bureau of the Census, 1989

The several categories of older Americans will also experience differing patterns of rising and falling numbers through the end of the century. The population aged 55 to 64 will slowly decline from nearly 22 million in 1988 to 21 million in 1995. After 1995, the number in this age group will begin to increase to over 24 million in 2000, up 13 percent between 1990 and 2000. The population aged 65 to 74 will remain steady during the rest of the century, falling slightly from 18.4 million in 1990 to 18.2 million in 2000, down 1 percent.

The dramatic increases in population age groups in the U.S. will come in the categories of Americans over age 75. Over the remainder of the century, Americans aged 75 to 84 are projected to increase in number from 9.9 million in 1990 to over 12 million in 2000—an increase of 21 percent between 1990 and 2000; those aged 85 to 94 are projected to grow from 2.9 million to over 4 million, up 40 percent; those aged 95 to 99 are expected to rise from 260,000 to 417,000, up 60 percent; and those aged 100 and over are projected to increase from 56,000 to 100,000, up 79 percent.

Balance of the Sexes

More Younger Men Than Younger Women. The sex ratio among Americans in their 20s is being reversed. From now through the end of the century, in this age group there will be more males than females.

Feminization of the Elderly. As the population grows older, increasingly women constitute a larger proportion of the nation's population than do men. This first begins to occur around age 45, when there are only about 1 million more women than men. But the gender difference increases over time, so that among the population aged 75 and over, for example, there are approximately 4 million more women than men (nearly two women for every one man).

60

MINORITIES

Minority populations in America continue to grow at a faster rate than the population as a whole. This is because minority populations are younger, on average, than the U.S. population and because immigrants continue to flow into the country. In addition, the population group referred to by the U.S. Census Bureau as "other races" (American Indians, Alaskan Natives, Asians, and Pacific Islanders) grew far faster throughout the 1980s than the white, black, and Hispanic populations.

Taken singularly, each of the minority groups in America still represents only a small piece of the population pie. However, if they are combined and presented as one group, these "nonmajority" populations quickly take on a different look. By 1990, one in every four Americans will be a minority. And by the year 2000, almost one in every three Americans will be a minority. It is projected that by the end of the next century there will be a new majority population in America—a majority of minorities.

This has already occurred in some cities, including Atlanta, El Paso, Los Angeles, San Antonio, San Francisco, and Washington, D.C. In all these cities, minorities constitute an absolute majority of the local population.

Similarities among America's growing minority populations include their rapid rate of growth, their general youthfulness, and their geographic concentration.

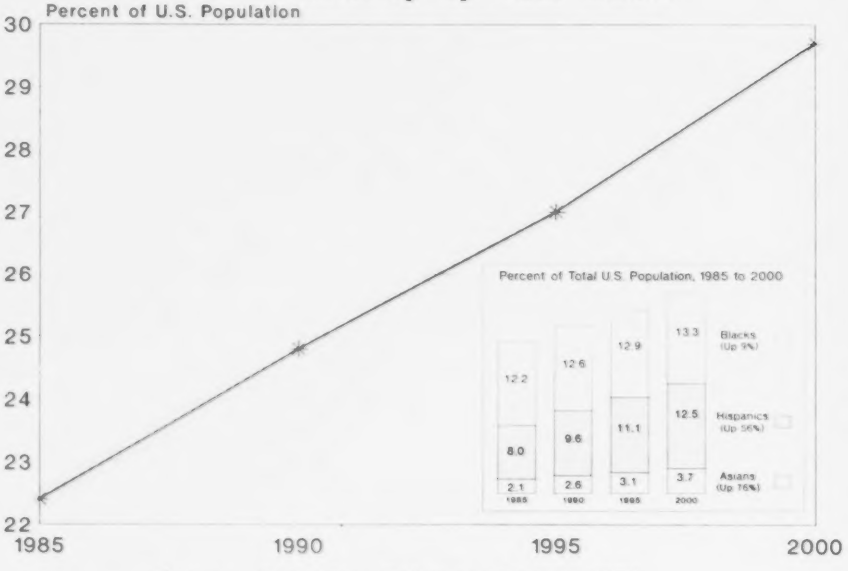
Despite their similarities, minority populations are composed of many subgroups, each with its own distinguishing characteristics. There are language differences, for example, not only among minority groups but also among their subgroups (both the Spanish and Asian languages have a multiplicity of dialects). There are also cultural and class differences among the many subgroups.

American Indians

In 1989, the Bureau of Indian Affairs (BIA) estimated its service population to be 949,075, up from 861,570 in 1987—an increase of more than 10 percent. The BIA service population is composed of American Indians, Eskimos, and Aleuts living on or near Indian reservations in the United States. (The BIA service population, thus, is smaller than the total American Indian population living in the United States, since many Indians do not live on or near a reservation.)

There are 505 federally recognized tribes in the United States, including 197 Alaska native village groups. There are 304 federal Indian reservations, the largest of which is the Navajo Reservation in Arizona, New Mexico, and Utah. No current estimation of the size of the total American Indian population, or its economic status, will be available until the 1990 Census is completed.

Nearly One in Three Americans Will Be A Minority by Year 2000



Source: Population Reference Bureau, 1986

Asians

There were 5.1 million Asians living in the United States in 1985, up from 3.5 million in 1980. Asian-Americans constituted 2.1 percent of the U.S. population in 1985. Asian-Americans are the third-largest ethnic minority, after blacks and Hispanics. By the year 2000, Asian-Americans are expected to constitute 3 to 4 percent of the nation's population.

The highest number of Asians entering the United States have come from Indochina: from Vietnam, Kampuchea (formerly Cambodia), and Laos.

More than half (53.3 percent) of all Asians employed in the United States hold managerial or professional positions. Thirty-four percent of Asian Americans have a college degree, which is well above the 20 percent for the nation as a whole, the 11 percent for blacks, and the 8.6 percent for Hispanics. A significant majority of Asian Americans are male (58 percent), whereas in the nation as whole 45 percent are male, and the Hispanic and black populations are 54 and 51 percent male, respectively.

Asian immigrants to America actually belong to two distinct groups. The first wave of Asians, those who arrived through 1975, were Taiwanese, Korean, and Vietnamese; they were generally well educated and from middle-class backgrounds. (As many as 70 percent of the Koreans arriving during the first wave had university degrees.) These Asians had stable families, supportive community organizations, and aspirations for self-sufficiency, all of which led to economic success in America. They also had the skills and capital to launch new businesses and educate their children.

The Asian immigrants who arrived after 1975, however, have been mostly poorly educated Hmong and Cambodians who lived through war in Southeast Asia. Many slightly educated Filipinos also began to arrive during this period. The second wave of Asian immigrants have not been able to adjust to their new lives in the United States nearly as well as the first wave. Almost 70 percent of all Indochinese refugees who arrived in America in the 1980s are on some form of welfare, and mental health workers agree that at least half of them suffer from psychological disorders that require treatment.

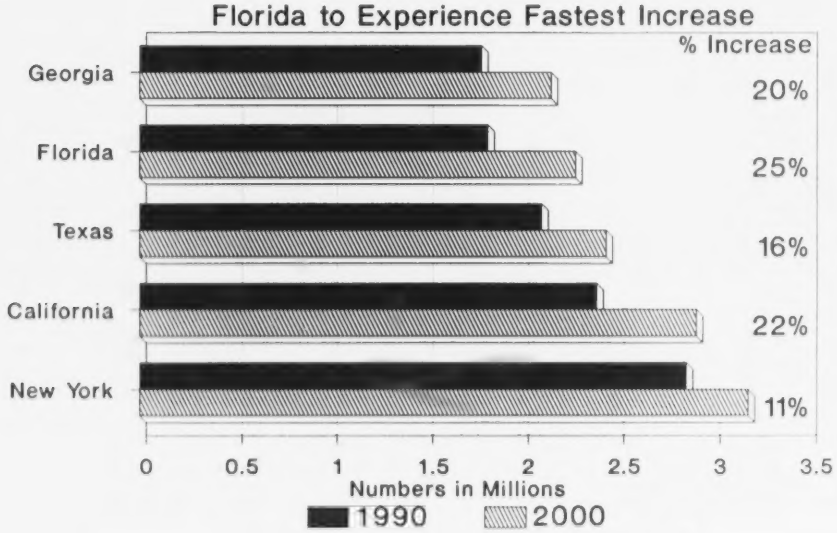
Blacks

Blacks are the largest of the minority population groups in America. In 1987 there were 28.9 million blacks, constituting 12 percent of the population. Blacks are also the slowest growing population group of the minority groups. Still, between 1980 and 1987 the black population grew at a rate faster than the total population—a 9 percent growth rate for blacks compared to a 5 percent rate of growth for the total population. It is projected that blacks will make up 13.3 percent of the total U.S. population in the year 2000.

In 1987, 82 percent of young blacks were high school graduates, up from only 53 percent in 1970; 11 percent of blacks are college graduates. In 1987 the average family income for black Americans was $18,098, down from $18,952 in 1978 (in 1987 dollars). Blacks hold approximately 6 percent of the management positions in the United States work force.

The number of black families increased from 5 million in 1970 to over 7 million in 1987. Smaller in size than they used to be, black families now average 3.5 members. The majority of black families are husband and wife families; however, the share of black families headed by women only has sharply increased in recent decades. In 1987, female-headed families constituted 42 percent of all black families.

One in Three Blacks to Live in Just Five States by Year 2000



Source: U.S. Bureau of the Census, 1989

Environmental concerns have regained visibility in the late 1980s as several national—and global—resource and pollution issues have become more urgent. Chief among these are the greenhouse effect and ozone depletion. What has not yet accompanied these concerns is a revival of interest in energy conservation. Energy use is up worldwide, and oil prices are again rising as well.

The Greenhouse Effect

The gradual increase in the average temperature of the earth poses what many scientists regard as the most critical environmental threat of the 1990s, a threat which could have a substantial effect on the nation's economy. It is believed that global warming is taking place because heat from the sun is trapped by sharp increases in atmospheric carbon dioxide, produced by the burning of wood, coal, and oil as fuel, and by the slashing and burning of tropical rain forests. During the 1990s, NASA and other organizations will spend billions of dollars on experiments to measure the "greenhouse gases" that are thought to be collecting in the upper atmosphere. That study should shed light on the extent of a global warming trend.

Scientists who argue that global warming has begun estimate that there is a period of about 10 years to 20 years during which this warming can be slowed (it cannot be stopped), after which major climatic and geographical changes could be set in motion. For the United States, potential effects could include a loss of coastline the size of the state of Massachusetts due to higher ocean levels; a loss of 25 percent of crop production in the Great Plains due to lower precipitation levels; greater scarcity of water supplies; and more serious problems of air and ground water pollution. Although some positive effects are expected in northern states due to milder winters, the overall impact is expected to be negative because the climate will change faster than vegetation and wildlife can adapt.

Ozone Depletion

The release into the atmosphere of chlorofluorocarbons (CFCs)—which occur in products such as refrigerators, home insulation, solvents used in manufacturing computer chips, and foam food containers—has created a hole in the ozone layer that shields the earth from excessive ultraviolet radiation from the sun. The release of CFCs is also contributing about 10 percent of the gases that are causing the greenhouse effect.

The resultant depletion of the ozone layer poses health hazards for human beings. Between 1969 and 1986, ozone levels over the Northern Hemisphere decreased as much as 3 percent; each 1 percent decrease may cause as much as a 6 percent increase in skin cancer cases annually.

Several chemical substitutes for CFCs are currently used in manufacturing products, and additional substitutes are being developed. A United Nations-sponsored conference in 1987 produced the first global agreement ever reached on an environmental issue: 24 countries will halve their production of CFCs by 1998. Environmental Protection Agency regulations taking effect in 1989 are expected to reduce domestic production of CFCs by 60 percent. Eventually, CFCs are likely to be

entirely phased out (but the transition to new products and processes will probably involve some degree of economic hardship and worker displacement). However, the hole in the ozone that exists now was created by CFCs released in the 1970s; even with a rapid change-over to safer compounds and the recycling of existing CFCs rather than their release into the atmosphere, the problem will probably worsen.

Energy

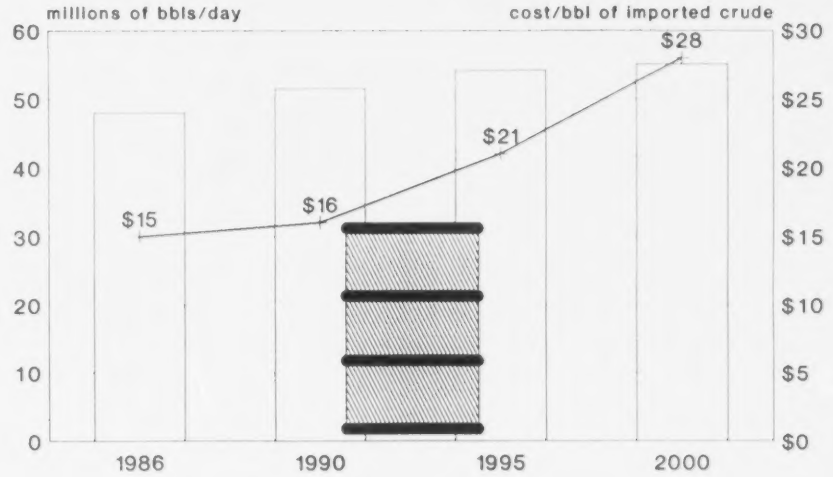
Electric Power. Conditions affecting electric power supply are far different as the United States enters the 1990s than conditions were at the beginning of the 1980s. As the United States entered the 1980s, power supply was ample. Generating capacity was being built ahead of demand growth, and electricity prices were rising. Going into the 1990s, capacity is being added more slowly than demand is growing, and the price of electricity is falling. In the near future, especially in some regions, capacity additions will have to be accelerated to keep up with growing demand.

Electric utilities will rely on a wider array of options to balance supply and demand, including building new capacity themselves, buying power from other utility and non-utility generators, and encouraging the efficient use of electricity by business and consumers. Nuclear power remains in limited use as an alternative to fossil fuels. If the greenhouse effect does become severe, however, nuclear power may become a more attractive option, because it does not contribute to that pollution problem. Alternative power sources—such as solar, wind, geothermal, and refuse—will find a place in the overall supply picture.

Oil. Oil is expected to remain the center of the world's energy system into the early 21st century. Global oil consumption is on a steady uphill path, sparked by economic growth, industrialization of developing countries, and a diminished sense of urgency about conservation. Oil prices are expected to remain flat for a few years and then rise steadily during the middle to late 1990s. Although there is ample oil to meet current demand, the cost and availability of oil are likely to become more problematic in the future.

There may be a revived interest in conservation if prices rise substantially, and if apprehension about the greenhouse effect increases. Interest in alternative energy technologies—particularly plentiful, clean-burning natural gas—is expected to increase as well. At current rates of production, the United States could deplete its known oil reserves by 2010. By 2025, the world is expected to be down to its last half-century supply of petroleum, almost all of it in the Middle East.

As World Oil Use Grows Prices Expected to Creep Back Up



Source: The Wall Street Journal, September 29, 1989 (Centennial Edition)

THE NATION'S BUSINESS ECONOMY

American business continues to be reshaped by corporate restructuring and the emergence of small businesses, as well as by the fragmentation of the consumer market.

Corporate Restructuring

The buying and selling of corporate assets has become a staple of American business, and such restructuring is expected to continue well into the 1990s. Though there have been fewer transactions per year since the peak year of 1986 (when 4,381 deals were completed), the individual deals that have occurred have, in fact, grown larger. In 1988, 3,487 transactions were completed at a record value of $226.6 billion; the value of the average transaction was twice the 1983 level.

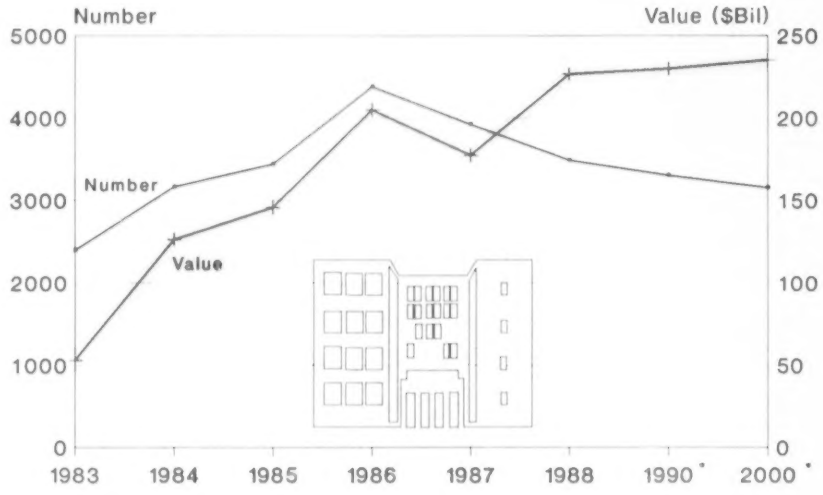
Although hostile takeovers have generated the most publicity, they actually account for less than 2 percent of all announced transactions. Fully one-quarter of all deals have occurred in those industries undergoing deregulation: banking, insurance, financial services, communications, and transportation.

Just over one-quarter (26.8 percent) of the total transaction value in 1988 represented foreign purchases.

Despite previous predictions that strategic (rather than financial) considerations were becoming the driving force behind mergers and acquisitions, making a profit on a transaction—as opposed to reorganizing a business for competitive reasons—continues to be a major factor in the largest transactions.

High interest rates and high stock prices slowed the pace of transactions in 1989, but that pace is likely to pick up once these factors change.

Merger and Acquisition Activity
Number of Deals Down, Value Up



Source: Mergers and Acquisitions, 1989
*Projection: United Way of America

Size of Companies

The 1980s was a decade for small business (employing under 100 people); unemployment from layoffs in large firms was in large measure offset by small-business job creation, which accounted for nearly two-thirds of new jobs in the 1980s. The number of new business incorporations doubled, from an annual average of about 360,000 in the 1970s to an average of 620,000 per year in the 1980s.

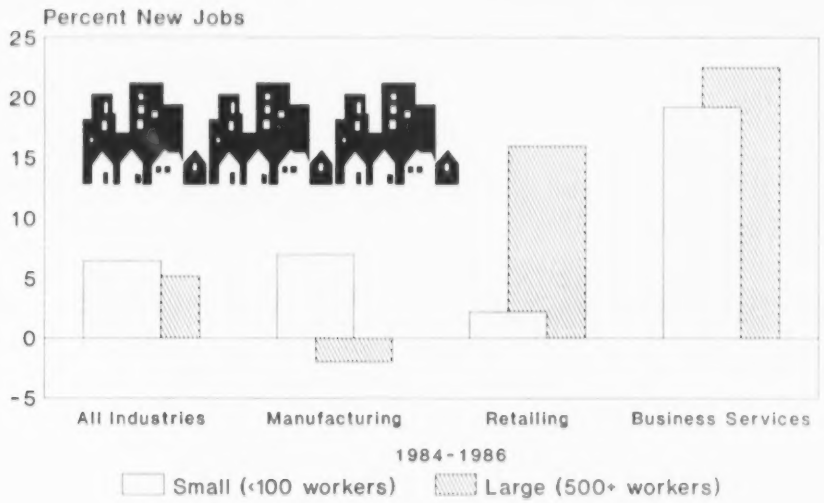
In the 1990s small business will continue to play an important role in providing jobs, but large firms appear likely to provide the bulk of total jobs. Firms with 250 or more employees currently employ 56.7 percent of the labor force; mid-sized firms with 100-249 employees account for 8.4 percent, and firms employing under 100 persons have 34.9 percent of the work force.

Technology, consumer demand, and globalization contribute to the concentration of growth in large and small firms to the exclusion of mid-sized ones. Large firms, particularly multi-nationals, are expected to grow more rapidly because they will be the most successful at international trade. They will be large enough to control the movement of their raw materials, people, and finished products around the world, and to respond to rapidly changing economic conditions. Large firms will operate as internal networks with fewer layers of management, and their individual business units will be smaller.

Small firms that provide highly specialized services will fill in the gaps left by the activity of large firms. This is happening across many industries. In banking, many large firms have been created through mergers and acquisitions. At the same time, however, single-branch banks have sprung up to provide high levels of customer service to particular market niches. After the savings and loan bailout is completed, a similar pattern is expected in that industry. In the food industry, large national franchises are growing rapidly, as are specialty restaurants; and large grocery chains are building ever-larger stores at the same time that small, neighborhood stores are growing in number.

Although this general pattern is increasingly evident, the growth rate of large versus small firms in a given industry depends on the particular industry. Small manufacturers are growing faster than large ones, but in retailing, it is the large corporations which are growing faster. In business services, both large and small firms are growing at roughly equal rates.

Large vs. Small Business Job Growth Varies by Industry



Source: Small Business Administration, 1989

Consumer Market Fragmentation

American consumer markets have become less homogeneous: the "mass market" has fragmented into distinct niches. Firms operate in one market niche or many, tailoring their products to the needs of specific consumers, such as teenagers, the elderly, working couples, and members of particular minority groups. In the past, the mass market was served by a limited range of standardized products. In telecommunications, for example, before the breakup of AT&T, that company provided telephone service to the entire market. Now the

marketing of telephone service is more selective; the many corporations in this industry focus on serving particular market segments rather than the whole market. (In such a situation, the lower-income niche can be neglected as unprofitable or can become a marketing opportunity for which new approaches to service are developed.)

The driving forces behind the creation of niches are an increasingly diverse population with varied tastes and needs—as well as the technology which enables firms to meet those tastes and needs. Business increasingly meets diverse—and changing—consumer needs through networks (of suppliers, manufacturers, wholesalers, shippers, and retailers) rather than by handling under one roof all phases of bringing an increasingly large number of goods to market. Corporations are increasingly contracting out advertising, legal work, publishing, shipping, and other business activities.

Parts of a network can be relatively easily interchanged to respond to new demands or new markets—an important consideration, since being first to market with a new product or service is important in the increasingly competitive global economy. The networking way of doing business allows the core firm to be much smaller than it would otherwise have to be, and is likely to continue as the way in which business is organized in the 1990s.

THE FUTURE WORLD OF WORK

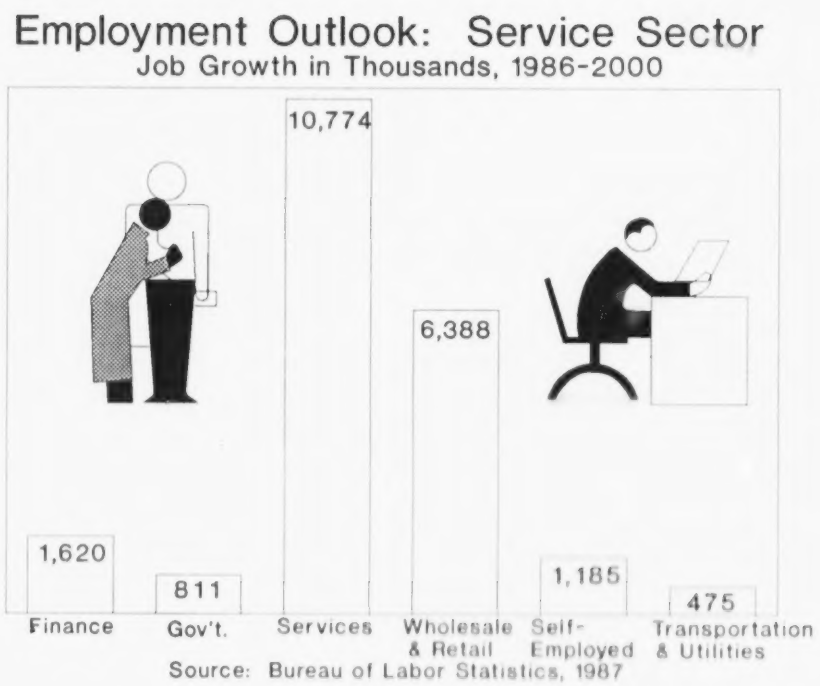
During the next decade the world of work will be heavily influenced by demographic and economic change. Members of the baby boom generation are reaching positions of power in the world of work, and their particular generational values and management styles will come more to the fore. Economic uncertainty and rapid change will translate into more short-term work arrangements, a greater need for training and retraining, more job and worker turnover, and slower-growing compensation. Both the workplace and the worker will increasingly demand flexibility—the workplace in order to respond to change, and the worker in order to balance work and family obligations.

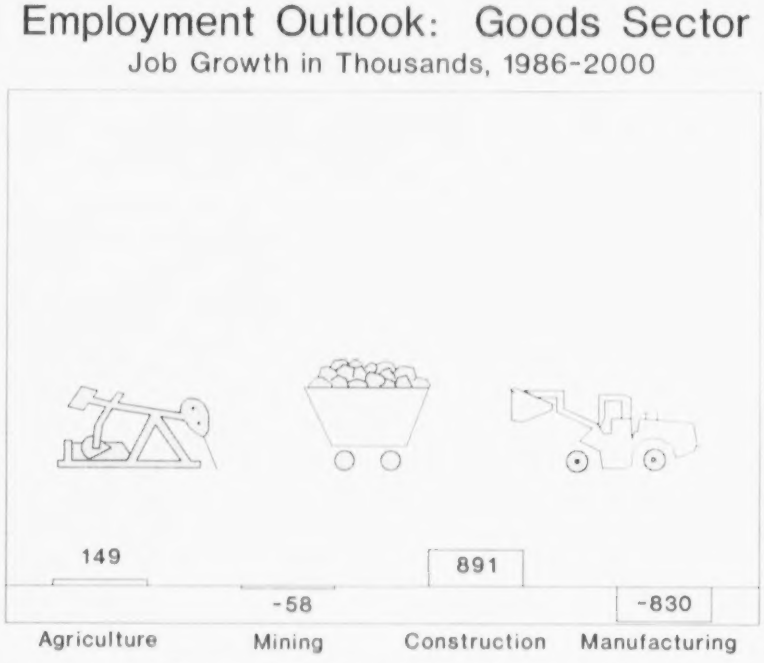
Family Concerns

The increased labor force participation of women has created new issues for the workplace. Most women of child-bearing age are working, and most will have children and return to work. The care of elderly relatives, which often falls to family members raising children of their own, is becoming a workplace issue. Both child care and elder care benefits are expected to be offered by more employers in the 1990s. Fewer than 10 percent of American families now have a nonworking wife. As worker shortages grow more severe, firms will be pressured to increase these benefits in order to keep their existing workers, as well as to attract more stay-at-home mothers into the work force on a full- or part-time basis.

Substance Abuse

As substance abuse has spread throughout the population, business has taken steps to reduce its impact on productivity, which is estimated to be $100 billion per year. Employee Assistance Programs (EAPs) have been established in more than 100,000 U.S. companies, covering





about 25 percent of the work force. Alcohol abuse continues to rise, affecting one in four families in 1987—the highest incidence of problem drinking in 35 years. Drug use, particularly cocaine use, also continues to climb, leading to increased drug testing among both job applicants and current employees.

Worker Education and Training

It is generally believed that the new jobs that will be created in the 1990s will be plentiful. Those new jobs will also require higher levels of education than, and different skills from, older jobs. This has heightened the role of education and training in the nation's economic future. Consequently, business involvement in the nation's school systems has grown to an $80 billion commitment, which could double by the year 2000. In the 1990s, concern about worker education and training is likely to lead business to help move more unemployed youths and adults into the labor force.

Three groups of workers are seen as particularly in need of additional training. The first group comprises the 23 million to 28 million illiterate adults who lack basic reading, writing, and comprehension skills, and the 35 million to 45 million believed to be only marginally literate. In a world in which computer software is going to be used in more and more jobs, and in which the number of low-skilled blue-collar jobs being created is decreasing, illiterate people will be less and less able to find jobs in which they can be self-supporting.

Second, a growing share of the next generation of workers are considered to be "at risk"; that is, they lack the basic skills of holding a job, are inadequately educated, and/or are victims of poverty. These workers will need assistance gaining their first job and will need training while working.

Third, the retraining of workers at *all* levels is increasingly made necessary by new developments in computer technology and fast-paced developments in business. Most workers who do not pursue education beyond high school have not had additional on-the-job training. However, it is estimated that fully 75 percent of all workers will require some form of retraining by the year 2000.

Management Styles

During the next 20 years, the typical large business will cut its levels of management in half and will reduce its number of managers by at least two-thirds. Individual employees will operate more as technical specialists and will themselves operate in networks, obtaining assistance and guidance from peers and managers on an as-needed basis. Employees will have far more decision-making and "managerial" responsibility. They will be in closer contact with the customer or client and will be empowered to complete transactions without seeking management approval. There will be greater discretion as to how a particular job is to be accomplished. Since managers will have more workers reporting to them, face-to-face meetings will increasingly be augmented by the use of information systems.

This change to a more self-managed work environment is occurring to help organizations respond more quickly to

change in their business environment. The new work environment reflects both the independent values that the baby boom generation of workers has carried into the workplace, and the style that allows effective use of computer technology—which, by its nature, puts more information resources in the hands of the user.

This change in work environment is likely to have far-reaching effects on the assumptions made about the capabilities of workers at different levels of an organization, and on the criteria according to which some workers are paid more than others. All but the least-skilled workers will be doing some tasks that were formerly considered "management" prerogatives. The new elite are likely to be "gold-collar" workers, those who have excellent computer skills and training in several fields and are able to integrate those fields, use computer software creatively, and create new value for the corporation.

Work Schedules and Arrangements

Following a decade of downsizing, corporations have increased the share of their workers who occupy part-time and temporary positions. Some firms fill as many as 10 percent of their jobs in this way—which has helped to decrease the number of large-scale layoffs. Part-timers now account for more than 20 million workers, or about one-fifth of the employed labor force, with one-quarter of all part-time work consisting of involuntary part-time work (work done by those looking for full-time employment).

Between 1970 and 1986, the number of workers supplied by temporary help firms grew more than 500 percent, to nearly 1.1 million per year. The total number of temporary workers may be as high as 3 million. A growing share of "temps" are professional and technical workers. In addition, many firms are contracting out to smaller firms work such as publications and legal work that was once done in-house, contributing to the growth in the number of smaller firms. And more workers "tele-commute" part- or full-time, using the telephone, computers, and facsimile machines to communicate with their offices.

Job Turnover

Although corporate loyalty suffered during the restructuring and layoffs of the 1980s, surveys find that it remains surprisingly high in companies with a reputation for treating their employees well. Retaining good workers and maintaining worker loyalty will increasingly become an issue for companies in the tight labor markets of the 1990s.

People are expected to change careers every 10 years on average, and to change jobs more frequently. A recent survey revealed that only 30 percent of workers intend to hold the same job 5 years from now. Job security has been a victim of corporate restructuring and high pay does not provide the same sense of fulfillment for workers that it once did. Rather, workers are looking for a sense of real accomplishment in their work and are willing to change jobs to get it.

Benefits

The growing diversity of family circumstances and employee needs is prompting more American companies to offer "cafeteria-style" benefit packages that allow a choice of benefits. At the same time, however, the cost of benefits, particularly health benefits, continues to escalate out of control. Additional benefits costs will increasingly be offset by slower salary increases and are already leading employers to increase employees' co-payment for major benefits, such as health care and pension plans. These are examples of the trend toward the assumption by employees of greater control over their total compensation package, with corresponding increases in risk.

Congress is considering some form of mandated health coverage, which would extend insurance to some of the more than 30 million Americans who lack it. Congress will also be likely to look at the issue of long-term care (elder care) insurance for an aging population.

Union Membership

The share of the work force that holds membership in unions continues to decline (from 28.9 percent in 1975 to 18 percent in 1985, and perhaps to less than 10 percent in 2000), because the manufacturing work force is not growing and because job growth is shifting to the South and West, where the union tradition is weak. Some unions are bucking this trend and increasing their membership. Industries and professions in which this is occurring include telecommunications, airlines, retail, government, teaching, and engineering. During the 1980s, unions changed their negotiating goals from obtaining significant pay increases for their members to ensuring job security. In the 1990s, union strategy may shift to obtaining benefits such as day care, elder care, and parental leave.

An Aging Work Force

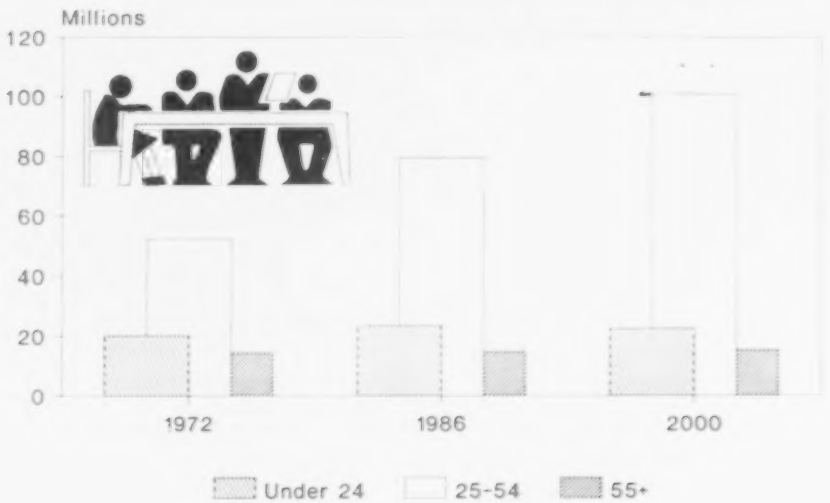
The average age of the work force will rise during the 1990s as the large baby boom generation grows older. While the average worker's age was 35.3 years in 1986, it will be 38.9 in the year 2000. In the early 1960s, by contrast, the average worker was over 40.

The increase in the number of older, experienced workers is occurring at the same time as the de-layering of management structures. This will mean more limited opportunities for promotion for middle-aged workers in the 1990s. Many members of the baby boom generation will, instead, turn to entrepreneurial activities in order to advance their careers. But this road will not be open to all, and many will remain trapped in jobs that pay well yet have become familiar and unchallenging. Although an older, more experienced work force is expected to help boost productivity, it may also become increasingly less able to make the rapid adjustments to new technologies that will continue to be necessary throughout the 1990s.

Members of the baby bust generation, now entering lower-level positions in organizations, will find plentiful entry-level positions; but their way to promotion will be blocked by the large baby boom generation ahead of them.

Work Force to Become More Middle-Aged

Median Age *1986*: 35.3 *2000:* 38.9



Bureau of Labor Statistics, 1987

THE LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Several striking demographic trends are altering the make-up of the labor force. First, the labor force will grow at an average rate of only 1.5 percent for the rest of the century—half its growth rate in the 1970s. This is a major reason that economic growth is expected to slow. There are fewer teenagers and young adults entering the work force than in the 1970s and 1980s, when baby boomers went to work. In addition, the female labor force participation rate, which rose rapidly in the 1970s and 1980s, will rise more slowly in the 1990s. Early retirement has reduced the labor force participation of men aged 55 and over (for women 55 and over, the rate is increasing) and is likely to continue to do so.

In addition, nearly 3 out of 5 new workers will be members of minority groups or immigrants. The work force of the future will increasingly be multicultural and multilingual. It will bring a growing diversity of values, styles, and levels of preparation to the workplace.

Worker Demographics

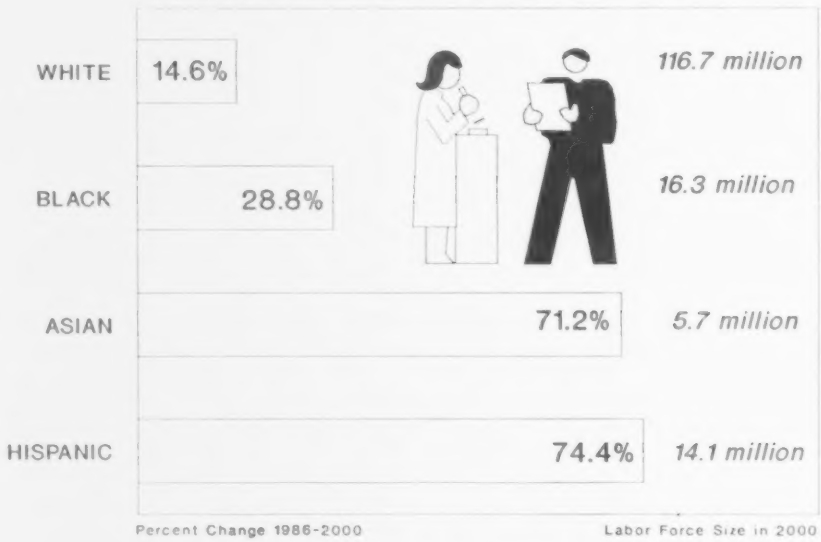
Women. Almost 2 in 3 new workers who join the labor force by the year 2000 will be women. By the year 2000, 61 percent of all women of working age are expected to have jobs, up from 51.5 percent in 1980. As a result, women's share of the overall work force is expected to rise to 47 percent by 2000; it stood at 42.5 percent in 1980. Women are expected to increase their representation in top executive positions from 10 percent today to 30 percent at the close of the century.

Minorities. By the year 2000, 26 percent of the labor force will be composed of blacks, Hispanics, Asians, Native Americans, and other nonwhite minority groups. This increase will come from the strong presence of minorities among the new workers who will join the labor force

Labor Force Growth is Slowing

Source: Hudson Institute, 1987

Minorities Are the Fastest Growing Portion of the Labor Force



Source: Bureau of Labor Statistics, 1987

in the 1990s: 57 percent of new workers will be minorities. Hispanic labor force participation will grow the fastest, and by the year 2000 Hispanics will account for 10 percent of the entire labor force, up from 7 percent in 1986. Blacks will account for 12 percent of the labor force, up from 11 percent, and Asians of all nationalities will make up 4 percent of the labor force, up from less than 3 percent.

Immigrants. Throughout the balance of this century, immigrants will hold their largest share of the work force since World War I. About 600,000 immigrants will enter the United States annually between now and the year 2000, with about two-thirds of those of working age actually going to work, many in low-skilled jobs. Most are expected to settle in the South and West, as has been the pattern since the 1970s.

Impact of Labor Force Changes. A complex demographic revolution in the United States is taking place that will reshape some social issues in the 21st century, much as the large size of the baby boom generation has done in the late 20th century. The major changes are twofold: first, there will be a smaller cadre of more nonwhite workers, many of whom will have suffered from deprivation and less-adequate preparation for work; and second, there will be more older workers. An older, more experienced work force is expected to give a boost to the productivity of U.S. industry. But as large numbers of older workers begin to reach retirement age in the early 21st century, the burden of Social Security payments will fall more heavily on existing workers, particularly if the Social Security Trust Funds have been borrowed from in order to reduce the Federal budget deficit. A large increase in the number of retirees will increase pressure to keep more people working longer (retiring later) and to keep women in the labor force, so as to reduce the burden of future Social Security payments.

Workers With Disabilities

Work-age adults with disabilities are a source of additional workers. Of the 13 million adults with disabilities, 4.42 million are currently working, and an additional 5.6 million want to work. Moving more adults with disabilities into the labor force will require complex changes in attitudes toward disability, the education and training of disabled individuals, and the availability of supportive services and technologies. Surveys of adults with disabilities report that the top reason more are not working is that employers fail to recognize that they can perform at a job even with a disability. Other barriers they report encountering include: under-education (77 percent of adults with disabilities have a high-school education or less), lack of marketable skills, and lack of special equipment to help them work better and/or communicate more easily.

Worker Shortages

Three kinds of labor shortages have begun to appear in the late 1980s and are likely to worsen in the 1990s. The first is a shortage of entry-level workers (ages 16 to 24) to do minimum-wage work. Since 1983, their numbers have declined by 15 percent. This has bid up wages at employers such as fast-food restaurants to as much as $7.00 per hour. The second kind of shortage involves job openings that require skills in new technologies for which workers have been inadequately trained. Technology changes so fast that often a set of skills is obsolete even before a pool of available workers has been established. The

shortage of new skills to meet the changes wrought by office automation, for example, will last for at least three to five years and will persist even if the economy goes into a decline or recession. The third kind of shortage has been the most difficult to overcome. It involves mechanical skills in an industrial workplace that require a substantial period of training or apprenticeships as well as on-the-job experience. These are the jobs of machinists and die-makers whose number is being constantly reduced by retirement while, at the same time, potential new entrants consider the work dead-end in nature.

Solutions to the Worker Shortage Problem

A record share of American adults—81 percent—are at work. Thus, labor shortages may cause employers to try to find ways of attracting some of the 19 percent of adults who are not working. Of that group of 28 million, the majority are women staying home to raise a family, and the next largest group is those who are temporarily or permanently not working for health reasons.

Another source of potential workers is inner-city youth, many of whom face barriers to employability such as a less-than-high-school education and social skills that do not match the culture of the workplace. These youths will therefore need additional training and supervision to successfully hold down jobs. Some individual firms have the capacity to seek out and train poorly skilled youths for their entry-level positions, but many firms—particularly small ones—lack the resources to do so. Although some firms are willing to take on the challenge, more may be persuaded to enter into partnerships with the educational system and/or nonprofit groups that fund training. Business leaders are increasingly recognizing that a deterioration in the national skill level puts business as a whole at risk, and that business must make an investment in reversing the deterioration.

Another source of additional workers is the ranks of the early-retired, who constitute about one-eighth of nonworking adults. Americans continue to want to retire early, but they also want to supplement their retirement incomes. As a result, there will be more gradual scaling down of hours and fewer abrupt retirements, particularly when workplaces become more comfortable with flexible work schedules. In addition, Social Security may be inadequate for retirement in the future, and more workers who have retired may be attracted to part-time work.

Unemployment

The nation's unemployment rate has hovered at just above 5 percent for 3 years, the lowest level in 14 years. As the nation enters the 1990s, job creation promises to continue at a good pace, with 19 million to 25 million new jobs expected. Many analysts predict that there will be a job for anyone who wants one, given the slowing growth in the labor force expected in the years ahead. However, this assumes a large-scale effort, involving all sectors of society, to help those who lack job skills to gain them. It also assumes that a geographical imbalance can be overcome: many of the new jobs are being created in the suburbs, whereas many potential new workers will live in central cities. Transportation systems generally are designed to move people from the suburbs to their jobs in the city, and "reverse commuting" is made difficult. In addition, housing in many suburbs is too expensive for low-wage workers.

Given these barriers, economists expect that perhaps the best the economy can achieve in the future will be an average unemployment rate of 5.5 to 6.0 percent.

PERSONAL INCOME

Despite seven years of solid economic growth, public opinion polls reveal that Americans are uneasy about the future of their country's standard of living. In one poll conducted in 1989 by *The Wall Street Journal* and NBC News, 63 percent of respondents thought their generation was better off than that of their parents, but only 40 percent felt their children's generation will be. Economists warn that unless the causes of the country's lackluster productivity growth are understood and remedied, living standards will have to grow more slowly in order to bring them in line with production.

In terms of personal income, there is no clear consensus about whether Americans became better off or worse off during the 1980s. Between 1973 and 1986, depending on which study is consulted, income either fell by 2.5 percent or rose by as much as 22 percent. The confusion results from fundamental changes in both compensation and family structure—changes that not only complicate the question of whether Americans are living better now, but also complicate the question of whether they are likely to live better in the future.

Income Levels

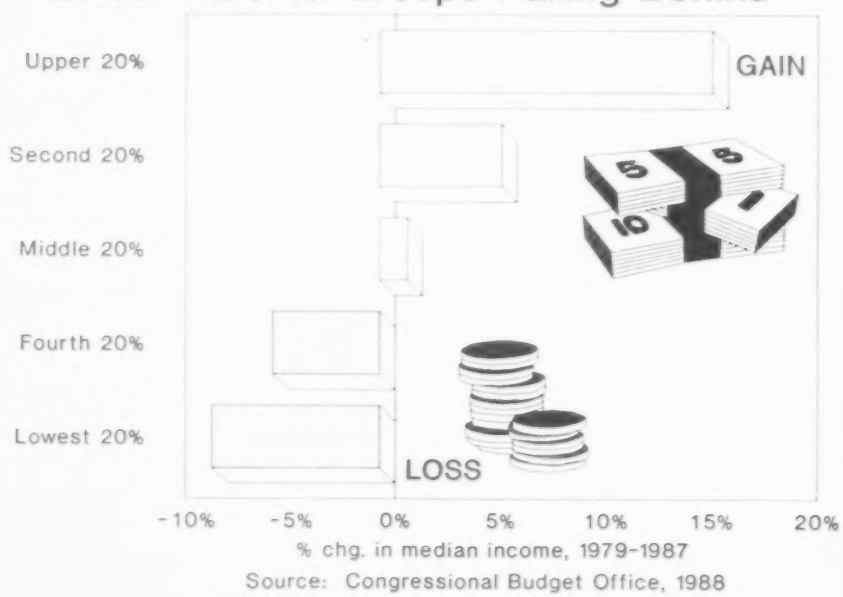
For 1987, median family income—a fairly conservative measure of income growth—totaled an all-time high of $30,853. That year marks the sixth straight year that income growth outpaced inflation, but reflects a gain of only $184 (in constant 1987 dollars) over the median family income in 1979. However, the size of the family being supported by that income has fallen, so the individuals in the family are likely to be better off than the income figures suggest.

Income Distribution

The gain in family income has not been spread equally across all income levels. The Congressional Budget Office found that the families receiving the bottom 50 percent in income lost ground between 1979 and 1987. The middle-income groups gained less than 6 percent. The large gains came to the upper 10 percent, whose incomes rose by more than 25 percent.

However, most of the "declining middle class" is moving into the upper-income groups, rather than falling into lower-income status. The size of the middle class (families earning $20,000-$50,000) declined from 53 percent to 47 percent of all families between 1979 and 1988; but the proportion of families earning more than $50,000 rose from 16 percent to 22 percent during the same period.

Upper Income Groups Gaining, Lower Income Groups Falling Behind



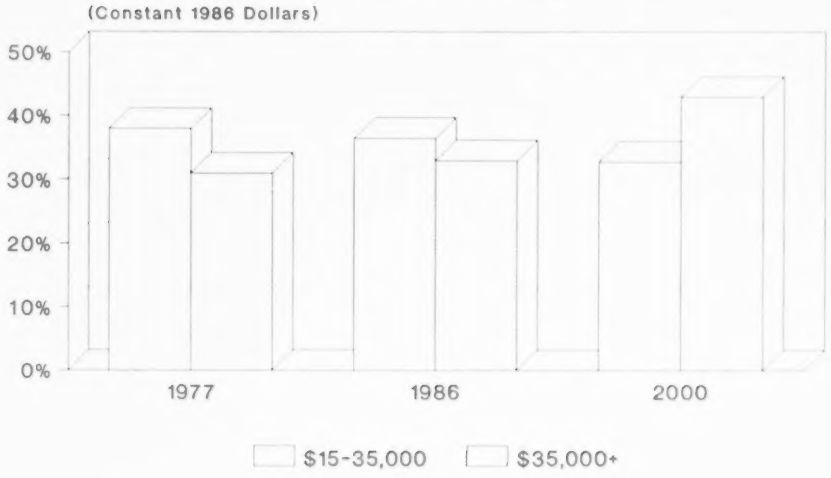
Source: Congressional Budget Office, 1988

Many factors are contributing to this increase in income inequality, a trend that is likely to continue into the 1990s. First, the growth of the two-earner couple tends to increase income inequality among households, since high-income people tend to marry each other. Second, the wages of men have become somewhat less equally distributed, as have the wages of women (although the pay gap between the sexes is closing). Third, unearned income (such as investment income) now makes up a larger share of total income, and this income is concentrated in the middle- and upper-income groups. Fourth, growing numbers of households headed by single women have lost ground in income. In addition, cuts in government funding for the poor have reduced income among lower-income households.

According to the Congressional Budget Office, the net effect has been that for more than 90 percent of American households, real after-tax income has fallen during the 1980s.

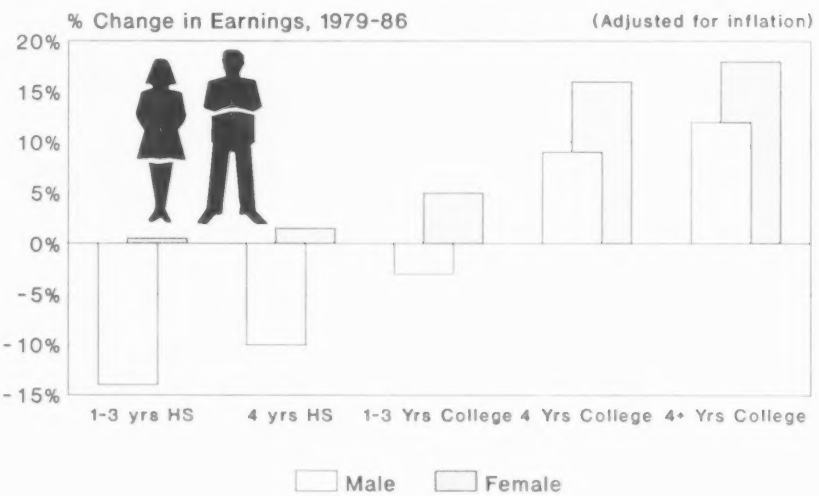
The expectation in this country had been that a growing economy would allow all income levels to get ahead and that each successive generation would do slightly better in terms of income and housing than its predecessor. Those expectations appear to be less likely to be fulfilled in the 1990s. Home ownership is declining for the first time since World War II, mostly because the median price of a home has increased 92 percent since 1975. Real wages continue to stagnate for most Americans. Frequent job changes because of a restructuring economy (or personal preference) will leave many middle-aged adults with inadequate pensions.

Upper-Income Households to Outnumber Middle-Income Households



Source: The Wall Street Journal
June 23, 1989 (Centennial Edition)

Earnings of Less-Educated Workers Are Markedly Slower-Growing



Source: Dollars and Dreams, 1987

It can no longer be assumed that a middle-income salary guarantees a middle-class lifestyle (i.e., owning a home, sending children to college, saving for retirement). Rather, a middle-class lifestyle now requires not one middle-level income but two incomes, a house already purchased, a state rather than a private college for the children, and the absence of uninsured medical expenses.

At a broader social level, growing income inequality could have other effects. First, those who are able to earn a good salary will increasingly be those who have acquired good skills. Unskilled Americans will find it difficult—if not impossible—to earn middle-class incomes in well-paying blue-collar jobs. Americans who are illiterate, high school dropouts, or even just high school graduates, no matter how hard they are willing to work, will increasingly be unable to work themselves into middle-class status. Skills acquisition is increasingly important. The earnings gap between a 30-year-old with a college degree and one with a high-school diploma has grown to 40 percent today from a level of 15-20 percent in the 1970s. Some of those caught between their educational preparation and a changing economy have been called the "new poor," and may increasingly need social services.

Prospect for Future Income Gains

Several of the factors which produced gains in income in the 1980s are unlikely to be operative in the 1990s. Economic growth is expected to be slower; and in a cost-conscious, competitive economy, wage hikes are expected to be less generous. Many families kept ahead in the 1980s by adding a working wife; but most women, even those with small children, are now already working.

On the other hand, the aging of the baby boom generation into their prime earning years (and the shrinking of the size of the younger generation) will act to push earnings up. There will be proportionately more individuals in higher-income brackets. The older, college-educated individuals will tend to gain in the 1990s, and the younger, less-well-educated will have a much tougher time.

Consumer Spending and Saving

Annual growth in real personal consumption over the next 12 years is projected to average 1.9 percent, down significantly from 3.2 percent between 1974 and 1987. But there is one niche where consumer spending will increase sharply: that of mid-life (ages 35-54) high-income (earning more than $40,000) consumers. Though they will make up only 21 percent of households in the year 2000, they will account for 40 percent of consumer spending. And mature high-income consumers (55 and over) will make up 8 percent of the population but account for 15 percent of consumer spending.

Many economists expect the nation's savings rate to increase in the next decade. According to some estimates, the savings rate is already rising: from 3.2 percent of income in 1987 to an estimated 5.2 percent in 1989. The stock market crash has largely driven the individual investor out of the securities markets and into safer investments. As the population ages, there will be more older, affluent households (the over-$40,000 income group will be 36 percent of households in the year 2000, up from 22 percent in 1985), which tend to save more than do younger households.

THE POOR AND THE HOMELESS

The United States now has more millionaires than at any previous time in its history. It also has more people living at the poverty level than at any previous time in its history. There are a growing number of American people who exist without economic participation, without family and community ties, without self-esteem, and without hope. In the 1990s, the presence of persistent poverty and homelessness amid tremendous affluence is likely to renew interest in addressing the problems of those who have not shared in the economic growth of the 1980s.

The composition of the group called "the poor" changed during the 1980s. Fewer elderly are poor, thanks to Social Security payments and private pensions that have kept up with inflation. The fastest growing segment of the poor is women with children, because of increased divorce rates and persistently high numbers of out-of-wedlock births. The emergence of a chronically poor urban underclass has been noted, as has a growing poverty among young adults. A growing problem of homelessness has accompanied the poverty problem.

The National Poverty Picture

Poverty Rate. In 1988 the poverty level for a family of four was $11,650; approximately 34 million Americans—8 million families—fell below that level. In the 1980s, the poverty rate rose to a high of 15 percent (compared with 11 percent in the 1970s), and fell to 14 percent in 1988. The plurality of those in poverty (about 40 percent) are white, with 34 percent black and 26 percent Hispanic. However, almost 30 percent of all black families live below the poverty line, compared with 8 percent of whites.

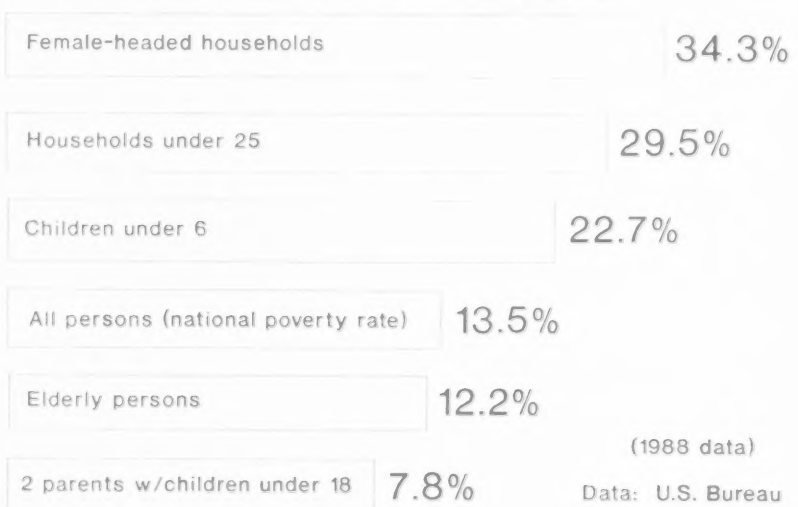
The Urban Underclass. During the 1980s, changes in the economy and in social patterns have increased the size of what has come to be called "the underclass." An estimated 2 million to 5 million Americans, the underclass is variously defined as the "persistently poor" or as those whose lives take place largely outside mainstream society, a definition which also includes those who earn a substantial living illegally. By some estimates, the underclass makes up about 31 percent of the poor. Its members live mainly in urban ghettos and are mostly black and Hispanic (but constitute a minority of those groups). What distinguishes members of the underclass is not race but behavior and lifestyle: they are caught in the web of self-perpetuating poverty marked by teenage pregnancy, fatherless households, chronic unemployment, crime, drug abuse, and long-term dependence on welfare. Their impact exceeds their numbers, for their plight is both a cause and an effect of America's most persistent problems: crime, drugs, homelessness, and AIDS.

Two changes have placed barriers between the inner-city poor and the job market. First, minority inner-city communities now lack a middle class to provide role models of educational achievement and job-holding. Poor inner-city adults often do not even hear about job opportunities, and their children are growing up in communities where lives are not organized around work.

Second, the job market has become less accessible to people who are less educated. Many of the well-paying blue-collar jobs once held by less-skilled city residents have been eliminated. For example, just 25 years ago, half of Milwaukee's jobs were high-paying blue-collar jobs; now, fewer than 30 percent are. Industry has moved to suburban locations and is creating fewer blue-collar jobs. Rather, the new jobs are knowledge-intensive, white-collar ones that require at least some college education. Employment of the less-educated has fallen sharply. Of adult black males (at all educational levels) who live in cities, only half work, even part-time; in 1969, 80 percent worked.

Female-Headed Households, Young Households, and Children Have High Poverty Rates

The Elderly & Intact Families Fare Better



(1988 data)

Data: U.S. Bureau of the Census, 1989

Single-Parent Households. The proportion of white children living in single-parent households rose from 15 percent in 1980 to 19 percent in 1988; among blacks, it rose from 46 percent to 54 percent over the same period; among Hispanics, from 21 percent to 30 percent. The changing economy has produced a high jobless rate among black men, which has contributed to a declining marriage rate among black women. Between 1960 and 1980, the ratio of employed black men in their early 20s to black women declined steeply: from 70 men for every 100 women in 1960 to 45 per 100 in 1980. Among whites, the major reason children live with only one parent is divorce. Single-parent households with incomes under the poverty level increased from 2.4 million in 1975 to 3.4 million in 1985.

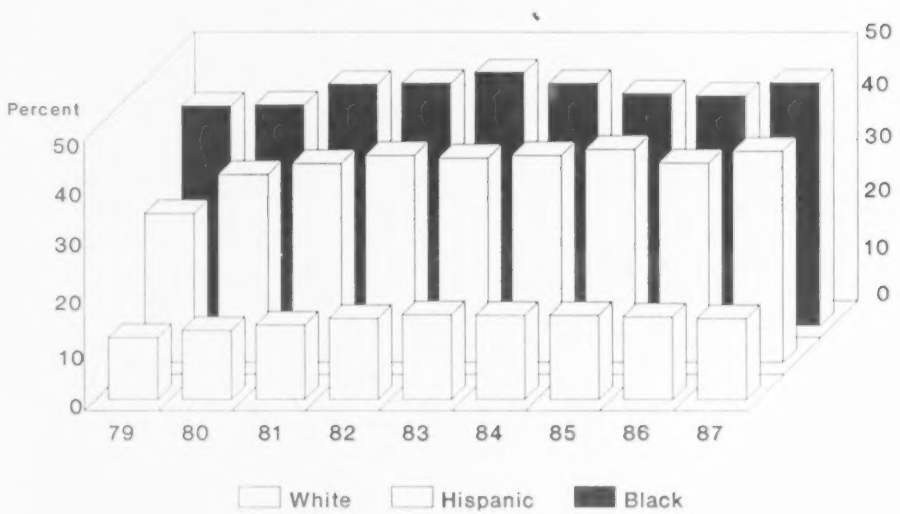
Rural Poverty. As more of America's economic growth centers in urban areas, poverty is worsening in rural areas and smaller cities, which contain 48 percent of the poor. From 1979 to 1986, real median family income fell more sharply in rural areas—10 percent—than in urban areas (just 1 percent). In 1986, the jobless rate was 26 percent higher in the rural areas than in urban areas, and the poverty rate in rural areas was comparable to that found in urban ghettos. More than 20 percent of rural families and 25 percent of rural children live in poverty.

Child Poverty. Poverty among children (and the elderly) is especially problematic, because the adult's remedy for poverty—obtaining a job—is not generally available to children or the elderly. The U.S. child poverty rate stands at two to three times the rate of most other industrialized countries. A recent study (based on 1979 data which are considered unchanged today) found that 17.1 percent of children live below the poverty line in the United States; nearly one-fourth of children are poor or near-poor (live below 125 percent of the poverty line). Although the rise of single-parent families, immigration, and the traditional low-income status of blacks and Hispanics were factors, the study found that the single greatest reason for the extent of the problem was the low level of government benefits available to children in the United States (compared with those available in other nations).

Poor children suffer from cumulative disadvantages that make it far more difficult for them than for middle-class children to grow into self-sufficient adults. They are likely to have less adequate prenatal nutrition, lower birthweight, less stimulation in the home, a poorer education, and greater exposure to drugs and crime.

Elderly Poverty. Although the poverty rate among the elderly has declined during the past 20 years from more than 30 percent in 1968 to 12.2 percent in 1988, many of the elderly

Poverty Rate Higher For Minority Children



Source: U.S. Bureau of the Census, 1989

are still poor. Most likely to be poor are those who rely on Social Security for their income: for 26 percent of the elderly, Social Security makes up 90 percent or more of their income. Most of the elderly poor are women (4 in every 10 older women have incomes below 150 percent of the poverty line) whereas less than 7 percent of older men are poor. In the future, poverty among the elderly may begin to rise again because after the turn of the century, the proportion of older people will start to rise.

Welfare Reform

The passage of the Family Support Act of 1988 marked a major change in the American welfare system: for the first time, welfare recipients were mandated by federal law to participate in education, job training, unpaid community work, and job search clinics in order to receive their benefits. These requirements are aimed at the approximately 17 percent of welfare recipients who remain in the program for more than eight years and who, at any one time, make up 50 percent of the welfare case load. These welfare recipients are disproportionately single mothers who had a child in their teens and have no work experience or skills. For these people, the welfare system will cease to function as an income-maintenance system and will become more of an employment program to help them overcome barriers to employment, develop skills, and chart a career path out of poverty. A growing shortage of entry-level workers makes this approach feasible.

Homelessness

The homeless population, currently estimated by various groups at from 350,000 to 2.5 million, could grow to 18 million by the year 2003, according to one study. That study estimated that 75 percent of the homeless are single or unattached adults, 15 percent are children, and 8 percent are adults related to those children. Fully 81 percent of the homeless are male, and although one-fifth had been homeless for more than four years, the median period of homelessness is estimated to be 10 months. About half are severely emotionally distressed. A scarcity of low-income housing, sharp cutbacks in expenditures for public housing and other social programs, and the gentrification of former low-income city neighborhoods contribute to the housing aspect of the problem.

Although homelessness does not admit of an easy cure, experience has shown that successful programs tend to offer a tailored form of intensive long-term support for the individual—support that is quite unlike that of the broad, general social programs of the Great Society era. Some social-service agencies emphasize prevention, using social-service computer databases to identify which client families are at risk of homelessness and then intervening to prevent that from happening. Interventions may be as simple as buying a convertible sofa bed so that a family can continue to stay with a relative. Recent approaches to those who are already homeless include help with setting goals and support with job training and job hunting, medical clinics in shelters, transitional housing for those leaving shelters, medical facilities for detoxification, better coordination of service delivery, and innovative programs to stimulate developers' interest in constructing low-income housing.

Housing

The share of personal income going to housing is expected to increase in the years ahead. The nation's real housing costs are expected to rise about 35.8 percent between now and 2002, but real household income is expected to increase only 20 percent. In 1950, 65 percent of Americans were able to purchase a house by spending no more than 25 percent of their incomes; in 1985, only 11 percent of Americans could do so. Some 6 million households are now paying more than half their incomes for rent, and home ownership rates have declined for the first time since World War II. Between now and 2000, the median price of a home is expected to climb by at least 25 percent, from $88,000 to more than $110,000.

The federal housing budget declined from $30 billion in the late 1970s to approximately $7 billion in 1988. The result has been a loss of 200,000 federally subsidized apartments. In addition, nearly 1 million subsidized apartments could be lost in the 1990s as HUD contracts with their owners expire. The shortage of low-income housing units is expected to climb from 3 million to 8 million by the year 2000, representing shelter needed for 18 million people.

The problem is not likely to be solved by government subsidies for low-income home buyers and renters, federally subsidized housing projects, or rent control. As a result, there has been a growth in non-profit, below-market-rate approaches such as "mutual housing." Under these arrangements, lower-income tenants own their apartments but give up the right to make a profit on the apartment's sale in exchange for lower monthly payments. The National Association of Home Builders has named housing affordability as its top priority, which may lead to new efforts to make lower-income housing more available.

In addition, prefabricated homes are likely to make up a larger share of the nation's new housing. One-third of the new homes built in Florida are manufactured homes, and in the future as many as 9 out of 10 individually built homes will be prefabricated. Many of those will be custom-designed by computer to fit the needs and purchasing power of the buyer.

REGIONAL TRENDS

Regional Population Growth

Regional Economic Outlook

REGIONAL POPULATION GROWTH

In the 1980s, 9 out of 10 of the most rapidly growing states were in the South or the West. (New Hampshire was the exception.) This trend will continue through the end of the century. However, the particular states on the list will change slightly in the 1990s. Utah and Colorado will drop from the list and be replaced by Georgia and Hawaii.

Half of the total population growth in the United States through the year 2000 will occur in only three states: California, Texas, and Florida. Between 1990 and the year 2000, the fastest population growth will take place in Arizona (23.1 percent), Nevada (21.1 percent), New Mexico (20.5 percent), Florida (20.3 percent), and Georgia (19.4 percent).

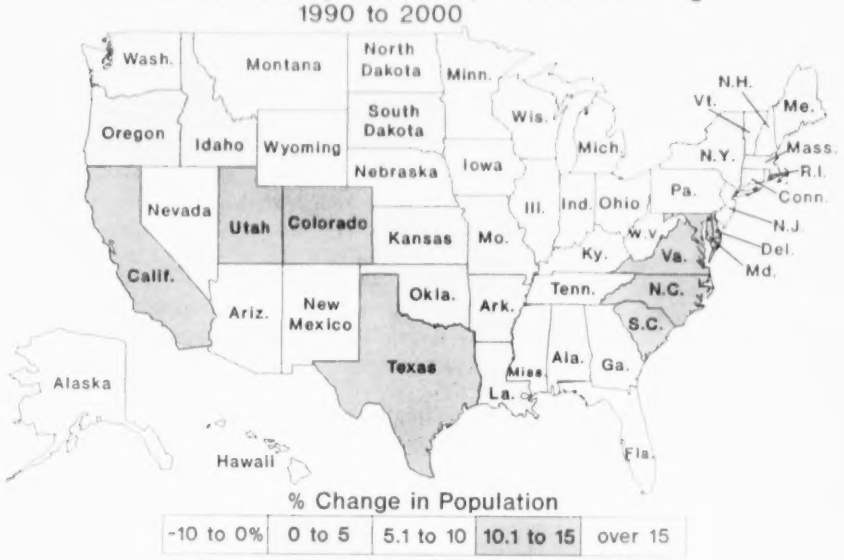
California will remain by far the most populous state at the turn of the century. In 1990, the three most populous states will be California, New York, and Texas. However, by 1995 Texas will have surpassed New York and will have moved into second place in terms of population. Florida will remain the fourth largest state. By the year 2000, Illinois will displace Pennsylvania as the fifth largest state, and Georgia will replace North Carolina as the 10th.

No single region of the country contains the states that will experience the greatest decline in population.

Population Growth Remains Fastest in South and West

In North, Only New Hampshire is Booming

1990 to 2000

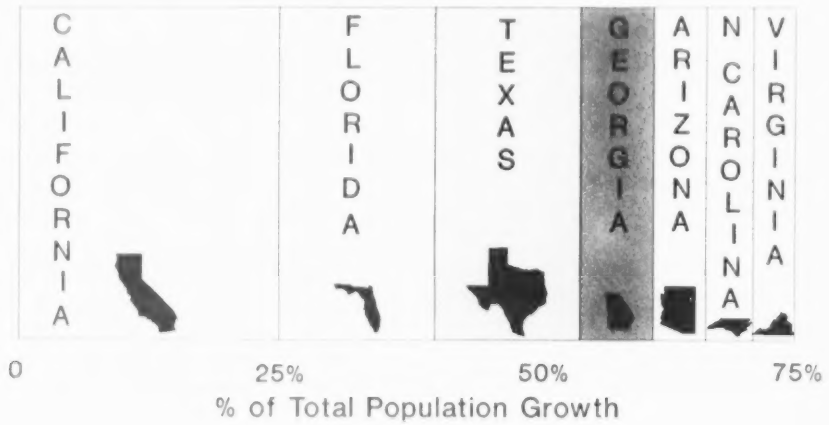


Source: U.S. Bureau of the Census, 1989

Over Half of Population Growth to Occur In Just Three States

Three-Fourths to Occur in Seven States

1990 to 2000



Source: U.S. Bureau of the Census, 1989

REGIONAL ECONOMIC OUTLOOK

The pattern of a bi-coastal economy (in which economic growth is concentrated along the Atlantic and Pacific coasts) will continue to hold true in the 1990s. Despite the freedom to locate anywhere—a freedom afforded by new communications and transportation technologies—businesses are continuing to cluster along the coasts. The major reasons they cite are proximity to universities and to highly educated work forces and the need to maintain personal contacts in an economy made up of "networks." However, the more rapidly growing regions are also the ones most likely to be hit first by a nationwide economic recession.

New England (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
The burgeoning high-tech economy of New England, which boasts the nation's lowest unemployment rate (under 3 percent), is likely to grow more slowly in the future. Labor shortages, slow population growth, and steep living and housing costs are undermining future growth prospects. A high concentration of high-tech companies has helped push this region's per capita income to 120 percent of the national average.

The Northeast (New Jersey, New York, Pennsylvania)
Both New York and New Jersey have seen recent losses in factory jobs and losses in business services, wholesale and retail trade, government, hotel, and construction employment. Low profits and downsizing in major financial institutions, cutbacks in defense-related industries, and the softening of some real estate markets could reverse the region's 15-year boom, sending it into recession. Pennsylvania's eastern half has a growing service sector, whereas Pittsburgh has the third-highest number of Fortune 500 corporate headquarters among U.S. cities. These three states account for 10 percent of the nation's GNP.

The Mid-Atlantic (Washington, D.C., Delaware, Maryland, Virginia, West Virginia)
Spurred by growth in the Washington-Baltimore-Norfolk (Virginia) triangle, the Mid-Atlantic region's growth is the fastest in the nation. With the exception of West Virginia, chronically depressed by the decline in mining and manufacturing, the states in this region are among the 10 wealthiest in the nation. Metropolitan Washington is home to a thriving service sector and to 500 of the nation's fastest-growing companies. Norfolk and Baltimore are leading commercial ports.

The Great Lakes (Illinois, Indiana, Michigan, Ohio, Wisconsin)
The Great Lakes region is coming out of a decade of economic decline, thanks to a turnaround in the steel industry and a decrease in living costs.

Regional Per Capita Income Gap Widest in 20 Years

Source: Department of Commerce, Bureau of Economic Analysis, 1989

Except for Michigan, each state posted an increase in manufacturing jobs last year; Gary, Indiana, for example, saw its unemployment rate decline from 26 percent in 1982 to 8 percent in 1988. In addition, this region is more involved in international trade than any other region, and has seen its exports increase sharply as the value of the dollar has fallen.

The Great Plains (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota)

With persistently weak agriculture, manufacturing, and energy industries, the Great Plains region continues to be mired in economic distress but now appears to be turning the corner. Minnesota and Missouri have added 3,000 companies and 415,000 jobs in the past five years; and in 1987 Iowa and Nebraska increased manufacturing employment by more than 7 percent, higher than the national average increase of 5.5 percent.

The Southeast (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee)

The Southeast is a region of sharp contrasts between very rich and very poor economies, but the disparities are beginning to lessen. The very rapid growth of Florida and parts of Georgia and North Carolina is now easing, whereas the less-developed economies of Louisiana, Mississippi, and Alabama are beginning to grow. Heavy foreign investment and high-tech start-ups are helping to drive this growth. Those three fast-growing states (Florida, Georgia, and North Carolina) have added a total of 1.8 million jobs since 1984. This has helped the Southeast's living standards to improve relative to the rest of the country. Tennessee, Georgia, and North Carolina are expected to increase manufacturing employment significantly in the years ahead.

The Southwest (New Mexico, Oklahoma, Texas)

The Southwest is recovering from the oil slump and is poised to grow as fast as the nation's economy as a whole, led by a diversifying Texas economy. One million new service jobs are expected to be added in the next decade, outnumbering new manufacturing employment by two to one. The region's population is expected to increase by more than 30 percent in the next 20 years, with the number of households growing from 9 million to 12 million and average household income to exceed $35,000.

Rocky Mountain (Colorado, Idaho, Montana, Utah, Wyoming)

The Rocky Mountain region's economy is still heavily dependent on the slumping energy sector and will be forced to diversify in the 1990s if it is to recover. Business starts fell by an average of 15.6 percent in 1988, and Colorado experienced its first negative net migration since World War II. However, Denver is spending $3 billion on improvements to its infrastructure, and the region's fledgling high-tech and manufacturing industries could create 500,000 jobs in the next decade. This region has displaced the Southeast as the region with the nation's lowest per capita income.

The West (Alaska, Arizona, California, Hawaii, Nevada, Oregon, Washington)

The West continues to have the nation's most robust economy, benefiting from the advantages of close access to the Asian market, a warm climate, and an increase in defense-related and other high-tech industries. Each state has shown strong employment gains. Washington and Oregon, despite high-unemployment pockets, are developing strong biomedical and electronics sectors, and Arizona's labor force has grown almost 25 percent since 1984, adding 270,000 new jobs. California, with the world's seventh-largest economy, increasingly focuses on air pollution, traffic, crime, and minority education—problems that inhibit growth if left unattended. Hawaii, benefiting from foreign investment, has added more than 10,000 jobs a year to its economy. Alaska has lost jobs since the oil slump but still retains the nation's fourth-largest per capita income level: $18,230.

POLITICAL TRENDS

Political Climate and Issues

Government Revenues and Expenditures

Regulation and Litigation

POLITICAL CLIMATE AND ISSUES

Political Mood

The politics of the 1990s will be shaped by the successes and shortcomings of the 1980s. Successes include seven straight years of economic growth and the emergence of a vibrant entrepreneurial sector. The political issues of the 1990s will continue to emphasize the merits of self-sufficiency and economic growth. However, reactions to the shortcomings of the 1980s which will shape the political scene in the 1990s are likely to include: widening concern that the price paid for economic growth in environmental deterioration may be too great; greater desire to help those Americans who have been bypassed by the economic growth of the 1990s; and strong opposition to unethical business activity (such as financial fraud or environmental damage).

During the 1990s, a cyclical shift is likely to occur in American politics—a shift from an emphasis on "private purpose" (economic issues) to a focus on "public purpose" (social issues). This is not to say that the 1990s will be a repeat of the 1960s, however. Mass movements are less likely to occur than are more contained, focused efforts for change, reflecting both the "demassification" of the American society into a highly differentiated "mosaic" and a more measured, middle-aged approach rather than a youth focus. Social entrepreneurism, rather than protest or legislative action, will be where some desire for change is channeled. Goals are likely to be more pragmatic (jobs, educational opportunity) than ideological.

One area of great uncertainty and great importance in shaping the politics of the 1990s is relations among ethnic minorities and between minorities and the majority of America's population. America is on a steady trajectory toward becoming a "majority of minorities": At some point in the 21st century, Blacks, Asians, and Hispanics together will make up over 50 percent of the nation's population. (This is already the case in Los Angeles.) Each of these groups will be seeking political influence commensurate with its growing share of the population, and efforts to build links between minority groups are likely to increase. The "mosaic" society will tend to emphasize and reinforce cultural differences; the challenge to the political system will be to accommodate and reconcile these differences. In terms of both race relations and economic status, the situation of black Americans relative to whites has worsened during the 1980s. A revived civil rights movement in response to these changes is a distinct possibility in the 1990s.

The issue of abortion is also likely to play a large role in politics in the 1990s following a 1989 U.S. Supreme Court decision expanding the scope of restrictions that states may enact to limit access to abortion. This divisive issue threatens to become a litmus test in political contests at all levels of government. Estimates are that as many as 40 of the 50 states will consider laws to restrict access to abortion; at least one state is trying to ban abortion.

Demands for a higher standard of political ethics will also have an impact on politics in the 1990s. Such demands could create political instability by driving some elected officials out of office for ethics violations. These demands also could lead to another round of campaign law reform.

In the view of many analysts, the nation faces another long-term political task: to define a political philosophy that embraces the changes that have taken place in America—and in the world—since the Reagan presidency. In 1980, America was the undisputed leader of the free world politically, militarily, economically, and financially. Although it remains the political and military leader, its relative economic and financial standings (on which U.S. military and political leadership have been based) have slipped. The loss of absolute world supremacy (as other nations are catching up in economic strength and standard of living), these analysts contend, changes the ground rules by which the nation has operated since the 1940s. It requires America to enter into more cooperative relationships with other nations, to share power in alliances, and to improve its economic performance. The political task for the national government is to build a consensus among the American people regarding the nation's future course. At issue is whether the American people see the nation entering a period of decline or one of renewal.

Political Balance

The Presidency. The Republican party maintained its hold on the White House with the election of George Bush to serve through 1992. Bush won 54 percent of the popular vote (just over 88 million votes were cast, the lowest voter turnout since 1924 for a presidential election; upper-income groups outnumbered lower-income groups among those going to the polls). Unlike Ronald Reagan, Bush drew few Democratic voters. Only about 10 percent of Democrats reported voting for Bush, whereas between 1952 and 1984, an average of 20 percent of Democrats had voted Republican. In the 1970s, registered Democrats outnumbered Republicans by about 50 percent.

Although still the majority party among registered voters, the Democrats' lead has eroded, and turnout has suffered. In 1988 Democrats represented only 30 percent of the voters who went to the polls.

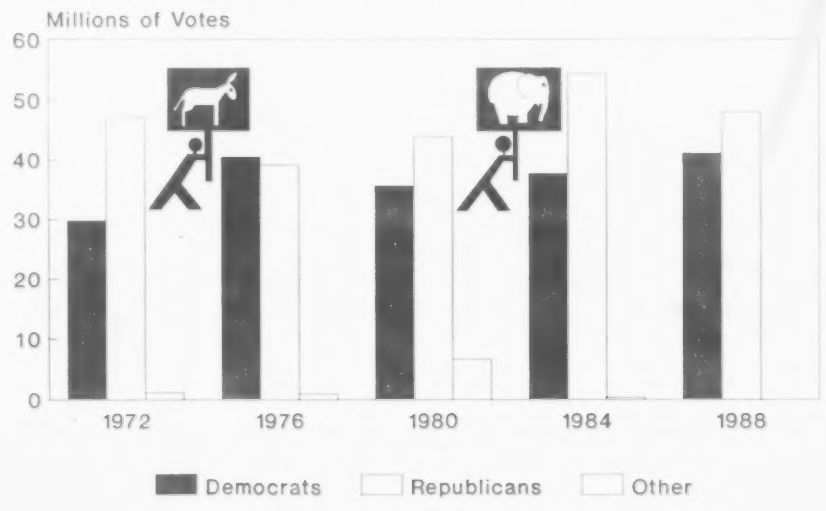
In the 1990s, the Presidency is likely to be a less influential office than it was in the past. Internationally, the era of the United States as the dominant superpower is waning, and economic and societal forces (such as massive global capital flows, the growing pervasiveness of information technology, entrepreneurism, and the aging of the population) are expected to increasingly have more influence on the course of events than policy directions set by individual presidents. The financial role of the federal government in society is shrinking as well, in part because the budget deficit diminishes government's ability to act.

Congress. Although Republicans have held the presidency in recent years, Democrats continue to dominate Congress, as well as most state and local governments. In Congress, the Democrats continue to control both the House and the Senate. In the House, they widened their margin over the Republicans, and now hold 259 seats to the Republicans' 174 (with 2 vacancies).

Only 6 of the House incumbents who ran for reelection failed to win in the 1988 elections. This 98 percent reelection rate is cited as the clearest evidence of the impact of "special interests" on American politics. The majority of campaign contributions from political action committees go to incumbents, making it very difficult for challengers to raise enough money to mount a credible campaign. In the Senate, the Democrats maintained their 55-to-45 margin over the Republicans. While nothing on the horizon appears to indicate that the Democrats will lose control of the House, political analysts predict that their lead in the Senate is likely to narrow in the 1990 elections and could be lost to the Republicans in 1992.

The States. At the state level, the Democratic party remains in control, despite three consecutive Republican presidential victories. Democratic governors outnumber Republicans by 28 to 22, and of the nation's 99 state legislative chambers, Democrats control 69. In 14 states, they control both of the legislative chambers and also the governor's office. This puts the Democrats in the driver's seat for the redrawing of legislative districts that will follow the 1990 census. Although this control may limit the impact of reapportionment, demographic forces clearly favor the Republicans. The states that are likely to gain Congressional seats are those in the South and West, where population is growing most quickly; these are also the regions where the Republican party is strongest. States in the East and Midwest, traditional Democratic

Popular Vote Cast For President By Major Party, 1972-1988



Source: U.S. Bureau of the Census, 1989

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strongholds, are likely to lose seats. Within states, reapportionment will tend to favor the rapidly growing suburbs and take legislative seats from urban areas, a move which also will favor the Republicans.

Political Activity

The 1990s are likely to usher in a more participatory mode of political action. The 1980s were a pro-business decade in which the role of the private sector was emphasized and the role of the national government diminished in scope. The 1990s are likely to be "synergistic"; that is, the emphasis is likely to be on cooperation among business, state government, labor, and the voluntary sector to achieve social and economic goals which no one sector could achieve alone.

Fueling this cooperation will be a rise in public activism on the part of citizens. A shift from the emphasis on private concerns that was characteristic of the 1980s is expected, along with greater public interest in confronting social problems. Many individuals appear less willing to participate through government or other large institutions, preferring a more entrepreneurial style of political action. They want to take a hands-on approach to solving problems.

State-Level Activity

For some years, the primary arena of political activity has been shifting from the federal government to state governments. The decentralization of government services due to federal spending cuts has been part of the reason for this change. Other factors include the ability of states to respond more quickly to problems, which is increasingly important in a rapidly changing economy; and growing citizen activism, more effectively carried out at a state rather than national level. State legislatures meet for only a limited time each year, and some meet only every other year. As a result, state legislators are in their communities far more than national legislators and are more affected by the problems—and constituents—they encounter firsthand.

States are increasingly the "laboratories" for innovative social programs—some of which are later adopted at the federal level. Welfare reform experiments in states such as New Jersey and California were the precursor to federal legislation. In addition, in today's global economy, the states, rather than Washington, D.C., are the nation's economic emissaries. More states have offices overseas than in the nation's capital.

States are likely to become even more active in the 1990s, because pressure to solve social problems will be directed at states and because the budget deficit will preclude significant federal overtures. The trend may increasingly be for the federal government to provide mandates that the states must then fund—the form that welfare reform legislation has taken. Environmental issues (such as toxic waste cleanup and solid waste disposal) will be increasingly important state issues, as will education.

In addition, state-level voter initiatives and referenda are increasingly used by issue-oriented groups as a way to take action on problems by bypassing state government and bringing these problems directly to the voters. The issues of high auto insurance rates, taxes, AIDS, abortion, nuclear power, and English as the official language were brought to the voters in 1988. In the 1990s, there are likely to be more referenda on a wider variety of issues.

NIMBY. Although the public wants the government to fund public services, the NIMBY attitude—"Not In My Back Yard"—seems to be taking hold in a wider range of communities. There is increasing neighborhood opposition to the location of social-service facilities

Reapportionment Likely to Shift 18 Congressional Seats to South, West

Source: U.S. News & World Report, February 20, 1989

(such as group homes for the retarded and hospices for AIDS victims), as well as to the location of waste disposal facilities and prisons.

National Issues

Several areas that directly affect United Way are worth noting as areas in which Congress may pass new legislation because lobbying on these issues has been strong. These include child care, education, welfare reform, long-term care for the elderly, and unrelated business income tax.

Children. The American family has now become a major, bipartisan issue, and is likely to stay so into the 1990s. Concern is increasingly focused on the effect of changes in the family on children in two areas: the lack of quality day care for children whose parents work, and the sharp rise in child poverty.

(1) *Child Care.* Congress is likely to play a greater role in increasing the availability of affordable, quality day care for the children of working parents. Growing shortages of skilled labor are increasing the interest of both business and government in ensuring that more quality day care is available to ease the burden for workers juggling home and family demands. (For further discussion of these developments, see chapters on Households and Families under Social Trends and The Future World of Work under Economic Trends.)

There is growing bipartisan support for some form of child-care assistance by the federal government. Some proposals call for a federal grant program to create and subsidize child-care programs for low- and middle-income families and to establish national health and safety standards for day-care facilities. A second approach would create a tax credit to help low- and moderate-income families with child-care expenses, or give the credit in cash to poor families who are off the tax rolls. The amount of federal funds available to support day care will depend on what Congress does about the budget deficit.

States, however, did not wait for action from Washington before initiating child-care programs. Already, 30 states provide day-care support to their employees, and many provide it to families on welfare who are enrolled in employment programs.

(2) *Child Poverty.* The fact that 25 percent of the nation's children—its future parents, workers, and leaders—are growing up in poverty is sparking renewed interest in expanding the federal role in this area. Several studies have urged full funding of federal programs for children, including Head Start, nutrition programs, prenatal care, and preventive health care. Every $1 invested in programs of this sort, sponsors argue, ultimately saves $5 in the cost of remedial education, welfare, and crime control. In addition, growing labor shortages are making it imperative that the nation break the cycle of poverty and help provide the environment which helps these children become productive, self-sufficient adults.

Education. Education is cited in many quarters as the key to the country's economic future. At the state level, education is emerging as a top budget priority. Proposals for reform include higher teacher salaries, upgraded equipment (particularly for science and math education), programs to address the special needs of minorities (who will represent one out of three children in the schools by the year 2000), and increased use of community colleges and vocational and technical schools for the

retraining of current workers. These increasing demands on state funds may produce increased demands for federal funds.

Welfare Reform. The Family Support Act of 1988 represented a new political consensus that the welfare system should place increased emphasis on promoting parental responsibility by encouraging work efforts and collecting child-support payments instead of primarily providing cash assistance to single mothers. The states are charged with providing long-term welfare recipients with training, education, and other employment-related services and for collecting child support from absent parents. In the early 1990s, the Act will require all states to have established such programs (several, including California, New Jersey, and Massachusetts, have already done so).

Long-Term Care. As more Americans live to an advanced age and develop chronic health problems, the demand for long-term care—both in the home and in nursing facilities—will continue to increase. The costs of this care are frequently catastrophic, wiping out a lifetime of savings in a short period. Ensuring access to long-term care without impoverishing those who need it is emerging as a dominant health issue for the elderly and their children. Medicaid is the largest payer of nursing home care, but it is expected to run into financial difficulty in the next 10 to 15 years. Federal legislation on this issue is likely to be enacted during the 1990s.

Unrelated Business Income Tax. The federal tax code currently levies an unrelated business income tax on selected income received by nonprofit organizations—income from activities deemed "unrelated" to an organization's mission. What is at issue in federal legislation is whether to include more types of income as "unrelated"—and therefore taxable—income. For example, membership dues or fees paid for services could become taxable.

Behind the interest in taxing nonprofit organizations has been a blurring of the formerly clear distinction between profit-making and nonprofit organizations. Part of the small-business boom in the 1980s involved the emergence of new service businesses in areas previously the preserve of nonprofit organizations. At the same time, nonprofits looked beyond the traditional means of fund raising and offered products and services for sale in order to replace government funds lost in cutbacks. The more the nonprofit sector looks even superficially like the for-profit sector, the greater the likelihood that small business, the government, and, perhaps, the public will challenge the traditional tax-exempt status of nonprofits.

The distinction between profit-making and nonprofit is likely to blur further in the future. For example, the for-profit health field will be one of the most rapidly growing service businesses in the 1990s. Services such as home health care, once the province of government and nonprofit agencies, will be offered increasingly by for-profit organizations. In one scenario, fees received for such services when provided by nonprofits may be deemed to be taxable.

GOVERNMENT REVENUES AND EXPENDITURES

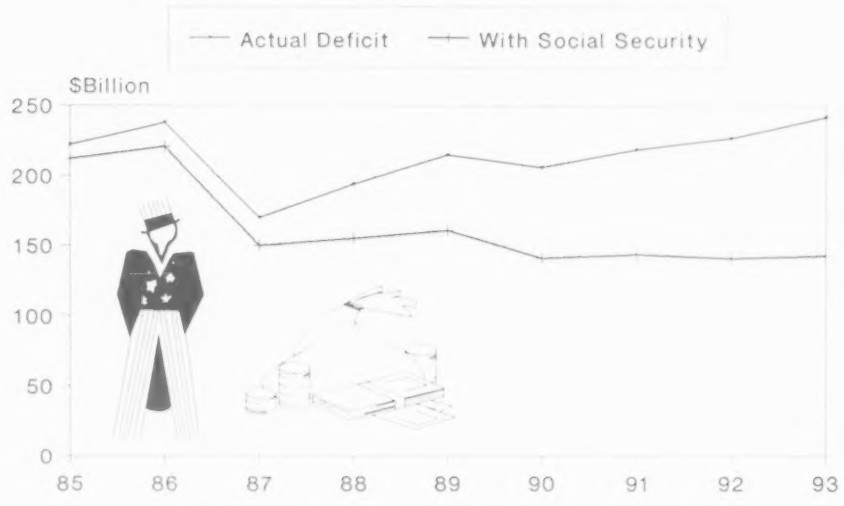
The amount of funds the federal government has to spend, and the role of government spending in American society, are changing. Reducing the federal budget deficit is an urgent, long-term problem facing the Bush administration; new funding initiatives are likely to be few. At the same time, the nation faces problems that cannot be solved without money. State and local governments are assuming increased responsibility for areas that once were dominated by the federal government. In addition, corporations are stepping into areas (such as education) that a generation ago were considered the sole province of government. All of these trends are changing the relationship between the state and federal governments and between government and business.

The Federal Budget Deficit

In the 1989 federal budget, federal spending and revenues are virtually in balance. The $155 billion federal budget deficit largely consists of the estimated $157 billion in interest payments to cover what the government borrowed to finance the large budget deficits incurred during the mid-1980s. Federal borrowing has tripled since 1980, from $914 billion to a projected $2.8 trillion at the end of fiscal 1989, or about 55 percent of GNP. The national debt is higher than at any time since 1962, when the United States was still paying off World War II debts.

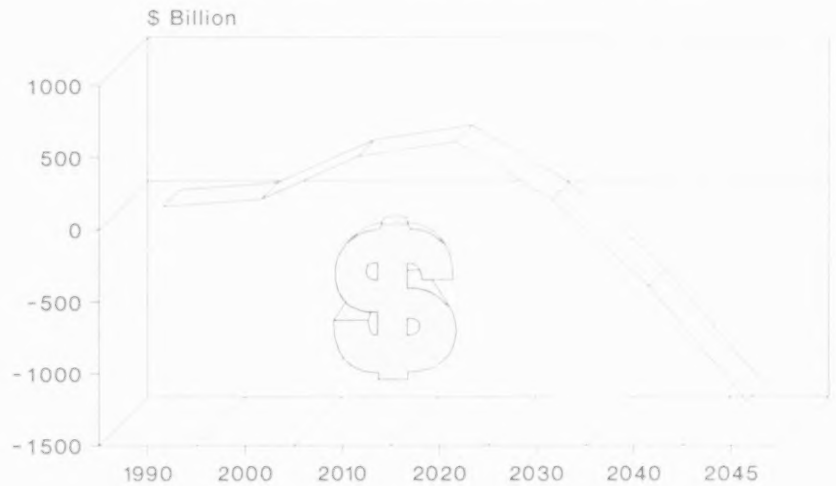
The picture for fiscal 1989 looks much worse, however, when one realizes that the $155 billion deficit actually consists of a surplus of $97 billion in the Social Security Trust Funds and a deficit of $252 billion in the general fund (the budget). By 1990, the general fund deficit is

Size of Budget Deficit Masked By Growing Social Security Surplus



Source: Congressional Budget Office, 1988

Social Security Surplus To Diminish As Baby Boomers Retire



Source: Social Security Administration 1988

projected to reach nearly $300 billion—but it will be masked by rapidly growing Social Security surpluses.

Pressure from Wall Street after the 1987 stock market crash led to a two-fiscal-year Congressional deficit-cutting agreement that expired with the fiscal 1989 budget. That agreement cut $76 billion from the deficit. The current Gramm-Rudman targets for cutting the budget deficit mandate its reduction to $100 billion in 1990, to $64 billion in 1991, and $28 billion in 1992, with no deficit in 1993. White House estimates show the deficit still at $53 billion in 1993, and the Congressional Budget Office shows it remaining well over $100 billion through 1994.

The easier federal budget cuts have already been made. What remains—and makes up 70 percent of the federal budget along with interest payments—are the relatively fixed expenses of Social Security, Medicaid, and other pensions, and the defense budget, much of which is multi-year appropriations.

In addition, the Bush administration will face unfunded and unavoidable new costs. Among them are an estimated $100 billion to bail out insolvent savings and loans and $100 billion to $130 billion to clean up waste at nuclear weapons facilities. Pressure is also mounting for new federal social spending, including long-term care insurance for the elderly ($8 billion to $50 billion per year); tax incentives to encourage business to fully fund retiree health benefits ($6 billion per year); repairs to the nation's bridges and highways ($365 billion, to be shared by the federal and state governments); repairs to public housing ($20 billion); and prison construction ($2 billion to $4.6 billion).

A realistic approach to the deficit crisis will probably be bipartisan and multi-year, and will include cuts in both defense and nondefense expenditures and some form of tax increase.

A variety of options for increasing revenue have been offered. These include: targeting the mortgage interest deduction more narrowly to low- and moderate-income taxpayers; enacting a tax on consumption, which could take the form of a personal expenditure tax, a national retail sales tax, or a value-added tax; increasing federal excise taxes on tobacco, alcohol, and gasoline; and collecting some of the estimated $113.7 billion in 1989 tax revenues that will be owed but not paid to the federal government by businesses and individuals.

Effect on Public Policy

The inability of the federal government to fully fund new public policy initiatives will shape a great many issues for other sectors in the years ahead. For example, it will influence the question of whether long-term care will be funded by public or by private sources, and therefore whether long-term care will be widely available or limited to those who can afford their own long-term-care insurance policies. This, in turn, will influence the demand that the growing number of elderly will place on voluntary agencies.

The Social Security Trust Fund

The Social Security system has been on a sound financial footing since 1983, when it underwent a financial overhaul. It will have a surplus of approximately $100 billion in 1989, representing about seven months of benefits. By 1992, reserves of one year's benefits—considered an appropriate buffer against an economic downturn—will have been accumulated. If the fund continues to grow as expected, reserves will reach $1.4 trillion by 2000 and will peak at about $11.8 trillion around 2030.

The reserves being built up now will be needed to pay the retirement benefits of the large baby boom generation. Currently, there are approximately 3.5 workers paying Social Security taxes for every 1 retiree, but when the baby boomers begin to retire in 2010, the ratio will drop to fewer than 2 to 1. Unless the federal government is able to balance the budget without using Social Security reserves to offset budget deficits, the trust fund reserves will not constitute real reserves to fund future benefits.

However, there have been numerous proposals for special borrowings from the trust fund to cover expanded social programs, and pressure to engage in such special borrowings will probably increase.

REGULATION AND LITIGATION

Outlook for Regulation

The 1980s brought a reversal of 30 years of regulatory policy and the deregulation of entire industries. The Reagan administration abolished the Civil Aeronautics Board, which had oversight over the airlines; nearly deregulated surface transportation; and broke up AT&T, the largest public utility, in order to enhance the prospects for competition in communications. By and large, deregulation has left federal regulatory bodies in place but put them under the leadership of people who attempted to return as much control as possible to the private sector and to the states.

It is unlikely that the thrust of these changes will be substantially reversed—that is, that entire industries will be re-regulated. Any re-regulation that does occur is likely to be in limited areas. Airline safety concerns, for example, may prompt selective re-regulation of that industry. Two candidates for new government regulation are intellectual property rights and computer security. Intellectual property regulation is important to protect the growing volume of U.S. trade in services. Such regulation would strengthen penalties for the unauthorized use of knowledge, such as for the pirating of computer software, particularly by foreign nations. And, as more information systems become computer-based, computer security is an area in which the government may become involved.

Regulatory Gridlock. In areas that have not been completely deregulated, such as telecommunications, there is growing pressure on the government to reduce its oversight. In telecommunications, the Federal Communications Commission, the courts, and Congress all have a role in oversight. The industry contends that the result is its inability to move as quickly into new areas as foreign competitors can. The Japanese expect their telecommunications industry to represent about 20 percent of GNP by the year 2000, whereas the U.S. industry is forecast at about 4 percent.

Litigation

Insurance Liability Crisis. Also contributing to an atmosphere of uncertainty is the nation's liability system. Individuals have wide-ranging rights to sue for damages by a product, organization, or individual; and few states limit the size of jury awards. Increasingly high awards have led to high premiums for liability insurance, and to the denial of insurance to some organizations. As a result, many organizations are self-insuring with their own reserves, establishing a risk pool with other like organizations, or "going bare"—operating with neither insurance nor reserves to pay for potential judgments.

No type of organization is immune from liability suits. Nonprofit organizations and their volunteers can be—and have been—sued over actions taken by boards of directors, service-providing volunteers, and staff members.

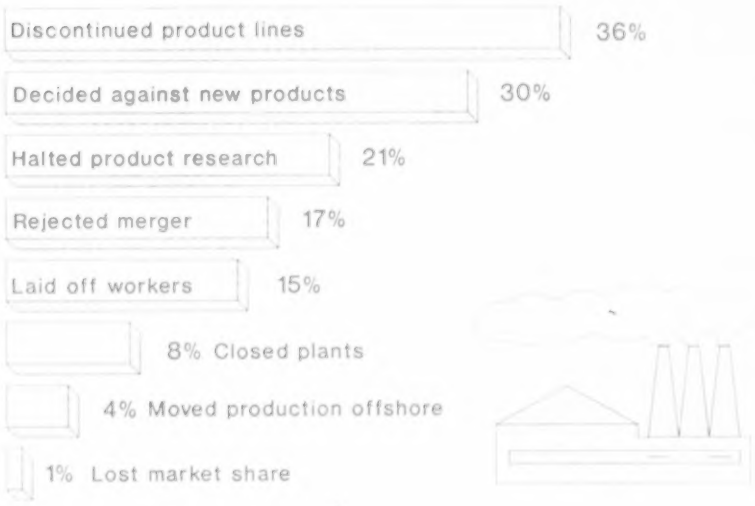
For corporations, the risk of liability claims has tended to make firms less willing to undertake the development of new products, because the products could attract lawsuits. If liability issues are handled poorly, they could drain discretionary funds from corporate philanthropy. Liability also increases the cost of products and services—by an estimated $300 billion per year.

For example, liability accounts for 30 percent of the price of a stepladder and 95 percent of the price of childhood vaccines. Liability verdicts have driven some firms into bankruptcy. For nonprofit organizations, funded agencies and volunteers may be unwilling to engage in activities that could expose them to lawsuits.

Some analysts argue that the liability problem exists because the American people no longer tolerate risk—a change that, to those analysts, threatens the nation's economic competitiveness. In case law governing liability, they maintain, the courts place increasing emphasis on the responsibility of a producer of a product and less on the responsibility of the individual in using that product in determining whether a claim has merit. These analysts also argue that the current system has distorted the issues that receive attention in the American political system, giving relatively greater weight to issues of safety than to the real risks the economy faces in an increasingly competitive era.

How Liability Crisis Affects Business

Percent of Firms Reporting Action



Source: The Conference Board, 1988

TECHNOLOGICAL TRENDS

Research and Innovation

Communications and Information Technology

Human Impact of Technological Change

RESEARCH AND INNOVATION

Looking toward and beyond the year 2000, a nation's strength in science and technology will increasingly determine its economic strength and national security. Since World War II, economic growth has come primarily from products created by scientific discoveries, engineering innovations, and new inventions. The growth industries of the 1990s and beyond will likewise be driven by new technology—information technology, telecommunications, superconductors, computer engineering, and biotechnology. Competition will be fierce and global, and quality of a nation's technological infrastructure will shape its performance. Quality infrastructure includes ample research activity, good science education, an adequate number of scientists, and industrial processes that integrate workers and machines effectively.

During the 1990s, the United States is expected to address the challenge of global competition more deeply. This chapter will cover the United States' international standing in science and technology, the technological infrastructure, and new scientific advances likely to occur.

Global Technology Race

Although the United States, overall, remains the world's most advanced nation in science and technology, other nations are catching up quickly. The United States is still the world leader in computers, biotechnology, and advanced materials, but Japan is ahead in photonics (light-wave transmission systems) and is rapidly closing the gap in the other three areas.

The U.S. scientific infrastructure is still organized around the post-World War II model, which favored large research labs in universities and corporations doing basic research and coming up with major advances (jet propulsion, nuclear power, etc.) that created entire new industries. The United States remains strong in basic science, but it is losing ground in translating the results of research into high-technology products. The effect of this shortcoming on American business has been profound: for example, the U.S. share of the domestic consumer electronics market fell from 100 percent in 1970 to 5 percent in 1988 in the face of competition by more advanced products from overseas competitors.

The research system which appears to work best in today's economy applies relatively more attention to consumer markets, quickly creating new products (such as new consumer electronics products) to meet new demand. More attention is paid to process engineering, the science of making the manufacturing process itself more efficient and able to respond quickly to changes in demand.

This model has emerged in Japan and in other Asian Pacific nations, and it is likely to be the one emulated by newly industrializing nations. The nations of the European Economic Community, an increasingly important U.S. competitor, have even further to go than does the United States to increase their capacity to produce high-technology products. There are several pan-European research institutes in operation, and the economic unification of Europe in 1992 is expected to improve in Europe the link between research and product development.

However, scientific advances in the future will not necessarily be concentrated in just these three blocs of industrialized nations. Just as economic power is diffusing among more nations, so, too, is the capacity to produce scientific and technological knowledge. New industries will no longer necessarily emerge first in the most developed countries; in fact, the biotechnology industry is emerging simultaneously in scores of nations around the world. Many developing countries—notably India—have a highly educated scientific elite and are likely to become more productive in high technology in the future, in the same way that South Korea built on its educated work force to become an industrialized nation. In addition, the entry cost of many information-era industries (such as software engineering) is lower than that for industrial-era industries (such as steel), putting these information-era industries more easily in the reach of less wealthy nations. Multinational corporations are also helping to diffuse scientific knowledge around the world.

Technological Infrastructure

A population which is scientifically literate, an adequate number of highly trained scientists, sufficient spending on research and development, and more attention to the "human factors" in the use of technology are the key elements of a strong "technological infrastructure" which the United States needs to undergird future economic development.

Scientific Literacy. At the same time the United States is addressing the problem of basic illiteracy, the nation is faced with a need to raise the level of scientific literacy among its current and future workers. One of the competitive advantages held by many rapidly growing nations is that their production workers tend to have more education in science than do U.S. workers, a factor which is thought to contribute to their more rapid increases in productivity.

U.S. students perform poorly in international comparisons of mathematical and scientific knowledge.

In one international comparison of mathematical knowledge involving 20 countries, including both industrialized and developing nations, Japanese students were first in every category. The U.S. students scored 8th in statistics, 10th in arithmetic, 12th in algebra, 16th in geometry, and 18th in measurement. In a comparison of scientific knowledge among eighth-graders, the United States scored 15th out of 16 nations.

Scientists. The U.S. is facing a growing shortage of trained scientific workers with advanced degrees. Nationally, about 40 percent of enrollment in U.S. engineering schools is made up of foreign students, and those foreign students constitute a majority of engineering students in some states. U.S. research and development activities would be crippled without these foreign-born scientists, who, unless they become citizens, are subject to being recalled to their home countries. In addition, a wave of faculty retirements expected in the mid-1990s will increase dependence on foreign-born science professors, who make up about half of engineering faculty under age 35. Still, there are about 1,800 vacancies in university engineering departments, and even more unfilled advanced engineering positions in U.S. industry.

The shortage is expected to grow more severe during the 1990s, particularly since population growth is slowing. This growing shortage has sparked greater interest in recruiting women and minorities for scientific careers.

Research Funding. The United States spends a smaller proportion of its economic wealth on research than do either Japan or West Germany, and its spending on research is growing less quickly. Two-thirds of U.S. research spending is defense-related, and a large share also goes to health research. The challenge for the 1990s is to direct additional research dollars to areas closely tied to economic growth, including infrastructure improvements, energy, and telecommunications. State governments are beginning to examine ways to fund research, and one state has established a lottery to create a research and development fund.

Human Factors. One additional technological aspect of competitiveness is the question of "human factors," or the successful integration of human beings and machines in a smoothly operating system. Japan has led in this area, and the United States is beginning to invest additional funds in human factors research. This issue has several aspects. First, there are not enough qualified workers at present to maintain increasingly sophisticated equipment. Second, too much information can overwhelm a person's capacity to absorb information and

Shortage of Ph.D. Scientists and Engineers to Worsen

Source: National Academy of Sciences, 1989

use it in decision making. Finally, technological change moves so quickly that it, and not human decision making, often becomes the deciding factor in how the technology is used. (This imbalance is generally regarded as the major reason that technological innovation has produced such disappointingly low gains in service sector productivity.)

New Technologies

Several research areas are likely to move closer to commercialization during the 1990s and to raise new issues—some quite profound—for American society.

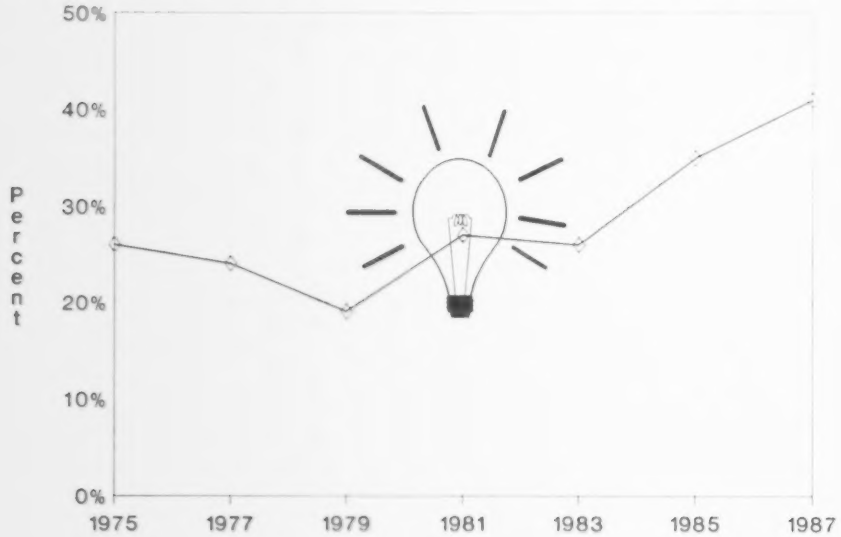
Gene Mapping. Within 5 to 15 years, a research team at the National Institutes of Health expects to map much of the human genome (genetic code). This will make it possible for further studies to trace diseases and disabilities back to specific genes. Scientists expect to be able to screen for an individual's genetic susceptibility to particular diseases, and to offer gene therapy to eliminate this genetic susceptibility. Genetic treatment could eliminate some now-common diseases, much as vaccines conquered diseases such as polio earlier in this century. However, genetic screening could also be misused: by employers, to hire only employees with no long-term health risks, and by insurance companies, to deny coverage to those at risk for disease. Protocols governing use of genetic information will need to be developed, for without them, those at risk for disease could be excluded from some employment and health insurance. In addition, although genetic information will allow more precise diagnosis of disease, American medicine will not have a cure to offer for all diseases diagnosed, nor will the health-care system necessarily have the capacity to treat them.

Biotechnology. The related fields of bio-engineering and genetic engineering already sustain a worldwide biotechnology industry based on gene splicing, cell fusion, and tissue culture. The cancer drug interferon is produced from a biological process, and exact copies of human insulin are being produced by genetically altered bacteria. Future products may include pest-resistant plants, supercows that produce more milk (through cloning), artificial blood, synthetic human growth hormone, memory-recall drugs, compounds to immunize newborns against disease, a protein that absorbs the AIDS virus, and safer anticancer drugs. Other research areas include buildings made of temperature- and light-sensitive materials; clothing that likewise adjusts to the comfort level of the wearer; food treatment (aseptic packaging) that avoids the need for refrigeration; microbial pollution clean-up systems that can help solve the hazardous waste problem, and resource regeneration—using microbes to rebuild natural resources such as coal that are extracted from the earth's surface.

Biotechnology could be a $40 billion to $100 billion industry by the year 2000. Two-thirds of state governments have active programs to develop this high-growth industry. The biotechnology industry is largely growing unregulated. But as human power over nature continues to increase, choices will have to be made between, on the one hand, using biotechnology to feed more people or conquer disease and, on the other hand, undertaking more profitable ventures.

Superconductivity. In January 1988, the first material to conduct electricity with no loss to resistance at temperatures above absolute zero (–475° F) was discovered. Since that time, several other relatively inexpensive superconducting materials have been discovered. The trick will be to discover those that will conduct electricity at room temperature and to figure out how to adapt them to engineering and manufacturing. Superconducting materials hold the potential to revolutionize every product that conducts or uses electricity. They could reduce

Foreigners Earn Greater Share of U.S. Patents, Reflecting Globalization of Research Activity



transportation costs, reduce the costs of transmitting electric power, and produce computers operating at 100 times faster than current speeds. Electric cars powered by energy stored in cars may become practical.

The first major commercial application of superconductors may be maglev (magnetic levitation) trains. These trains would have powerful superconducting magnets that would float the train above the rails, allowing it to travel at high speeds with no friction. About a dozen states are considering maglevs, and the one likely to be built first would carry passengers between Los Angeles and Las Vegas in 75 minutes by 1996. Maglev trains would be unlikely to replace airlines, but would augment them for shorter inter-city trips.

Superconducting technology could significantly change the domestic and global economic environment. The country that reaches commercialization first will have a tremendous advantage for years to come in developing products. The Japanese are far ahead of the United States in research, and they project a $20 billion to $34 billion market by the year 2000. The U.S. forecast is for less than one-quarter of that projected market.

Energy. Other energy technologies are developing as well. Battery storage technology is rapidly making lighter, more powerful batteries commercially feasible. One effect of this will be to bring down the cost of solar energy. Conducting plastics could reduce both costs and dependence on foreign energy supplies. Improved ceramics for use in engines could improve engine performance and reduce petroleum use.

Aging. There is new research interest in conquering the effects of aging by increasing the body's ability to function well even when nature is taking its toll. This research includes developing techniques to enhance the functioning of the senses in the elderly. This line of research will become more important as the population ages, and advances in this area could have a significant impact on health-care costs. By the year 2000, an estimated 50 percent of all health-care costs will come from the 65-and-over population.

Other areas that are receiving increasing funding are manufacturing process technologies, photonics, advanced materials (such as lighter aluminum and tougher plastics), and laser technology.

COMMUNICATIONS AND INFORMATION TECHNOLOGY

The Information-Based Economy

Information technologies are changing the way people communicate with each other, where they work, how they earn a living, and how they entertain themselves. These changes in daily activities, driven by advances in computers and microelectronics, are beginning to create a new pattern of economic and societal organization. This is an epochal change; civilization has known only two other dominant economic patterns—the agricultural era, which lasted until the mid-1800s, and the industrial era, which many scholars feel is now coming to a close in advanced industrial nations.

The information-based economy will take many decades to become full-blown, but it bears keeping the magnitude of its impact in mind when examining information technology trends. Although information technology is providing new ways to do things already done, its most profound effect is—and will continue to be—creating a new context in which it is necessary to try the unprecedented because the usual no longer works. Information technologies are structuring that new context and forming an integral part of strategy for business, government, and nonprofit organizations.

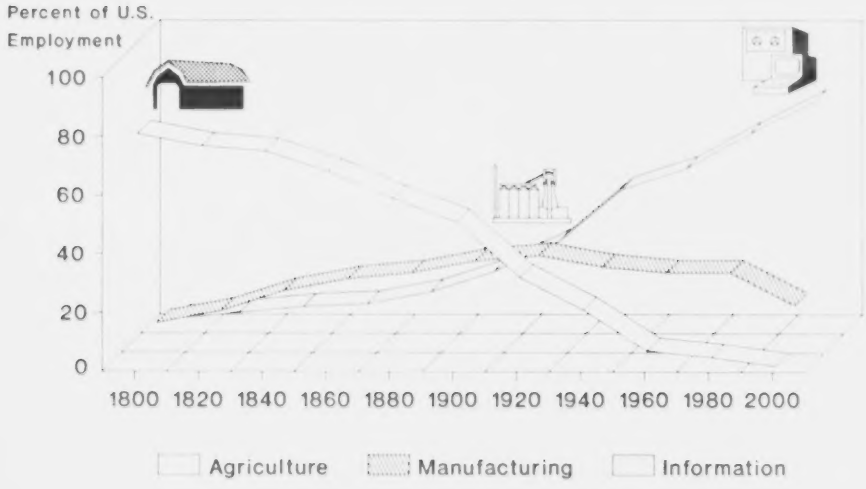
Information as a Strategic Resource

Corporations and other organizations are operating in a changing context in which their key strategic resource is no longer capital but information. Many large American corporations have created the position of Chief Information Officer, at the same level as the Chief Financial Officer, as the point person to direct the organization's information strategy.

Almost every corporate strategic issue now has an information systems component within it. Therefore, firms which make well-compiled information easily available to staff gain a competitive advantage and an improved capacity to solve business problems. Large companies can handle a greater volume of customers and suppliers—such as the growing number of small businesses—using computer systems to customize ordering procedures, search for the best prices, identify the best new prospects, and track a large volume of orders. Analysis of publicly available information can provide insight into competitors' strategies which would not otherwise be available. Computer systems also hold the potential to enable executives to know more about their own businesses than they ever did before. Sophisticated analyses can be tailored for particular customers to show in detail why they should do business with a company.

The level of information which senior executives expect to have to support business decisions is steadily increasing because the tools to provide decision-support information are becoming more sophisticated. Investment in computer training for both senior and junior staff is also increasing, with videotape and videodisk training tools helping to control training costs.

Transition to an Information-Based Economy



Source: Futures Research Division, Security National Bank.

The Digital Revolution

Fueling the growing importance of information as a corporate strategic resource is the conversion of all types of information into digital form. Information which now resides in books and reports, in people's heads, in file cabinets, in miscellaneous notes, and in music and speech is being put into digital form on computers. Once this information is stored in a computer's memory, it can be manipulated at a computer terminal, combined with information with other sources, sent over phone

lines, transmitted by satellite, and accessed by many different users. Digitized information remains intact forever, unlike conversation; and copies are indistinguishable from the original, unlike written reports.

This change in the form of information is also changing the way information is distributed. Currently, most information products—books, computer software, record albums—are bought individually. What may be evolving is a "pay-for-use" system, under which consumers pay for the right to use, rather than own or rent, a particular movie, video, or piece of software. The information (in the form of digital code) would be transmitted over phone lines and received electronically. Digital audio tape is already on the market, with digital video tape expected to follow. These technologies will make it possible for individuals to send the information on tape over phone lines to many other individuals, who could play the tape—and respond with their own—within minutes. One entrepreneur is working on an "information utility," which would hold digitized versions of all published text, sound, and film—resources which could be accessed from any computer. This approach would make "information service" as universal in the future as telephone service is now.

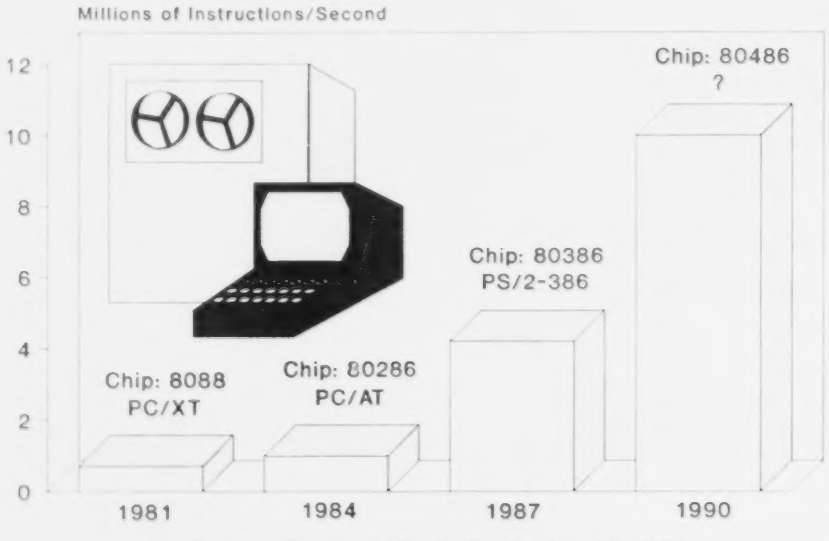
The Graphics Revolution

Because computer graphics are able to convey a great deal of information in an abbreviated format, they are an increasingly important weapon against information overload. The "presentation environment"—that is, the conventional practice of displaying information—is moving heavily in the direction of graphics and images for several reasons. First, word processing software now allows graphic images to be mixed with text. Second, easy-to-use graphics software, coupled with the falling cost of laser and color printers, have made quality graphic images less and less expensive to produce. In addition, in the 1990s, advances in display technology (such as high-definition television technology) will create new standards for the visual display of graphics.

The Computer

Hardware. The personal computers and work stations which sit on desktops are beginning to rival large mainframe computers in computing power, providing greater ease of use at a lower unit cost. In the IBM world, the 80286 chip, which powers an AT-class computer, is already being supplanted by the faster 80386 chip in the PS/2 computer. By 1990, computers powered by the much more powerful 80486 chip will be on the market, and in the early 1990s, the 80586 chip, now on the drawing board, will power a new generation of personal computers many times more

Faster Personal Computers on the Horizon
Computer Chip Speed Shows 10-fold Growth



Source: Business Week, September 26, 1988

powerful than those commonly in use today. Chip speeds of up to 100 times faster than the 80286 are forecasted by the year 2000.

As personal computers become more powerful, they will be able to perform computations which once required a mainframe. Users will download portions of databases stored on mainframes to their personal computers, do their calculations on the personal computer, and then upload their work back to the mainframe. Mainframes will continue to be used to run electronic mail networks.

In addition, the development of erasable optical disks, similar to those used in compact disc players, will increase by several times the amount of data that can be stored on a personal computer. Conventional hard disk drives generally store up to 100 megabytes of data; optical storage devices will be calibrated in gigabytes (1,000 megabytes).

Software. MS-DOS, the current standard operating system for IBM personal computers, is expected to be supplanted in the early 1990s by the more sophisticated OS/2. OS/2 has two main advantages. First, the user interface—what is seen on the screen—will be graphical (images) rather than textual, making the computer much easier to operate. Users will point to images on the screen using a mouse (pointing device) rather than enter lengthy commands from the keyboard. In addition, OS/2 allows multi-tasking, or running more than one program at a time. The screen divides into "windows" to allow the user to control several programs at once. Because work will be able to be accomplished more quickly, multi-tasking will add pressure to provide—and react quickly to—data. Organizations which choose to take advantage of OS/2's expanded capabilities will face the task of converting their MS-DOS files to the new format.

Multi-tasking will become more important in the next few years when more powerful database management software comes on the market to take advantage of the personal computer's increasing processing power. Users will be able to run a program and, by opening another "window," do other work while the first program is running.

Desktop publishing, currently a $5.5 billion industry, is expected to grow to $50 billion by 1990, at a 30 percent to 50 percent annual growth rate. Desktop publishing systems enable layout and typesetting to be done with a personal computer, a laser printer, and publishing software. At a relatively modest cost, desktop publishing allows even small organizations to produce top-quality printed materials at a far lower cost than a commercial printer would charge. Electronic publishing is similar, except that the medium of communication is not paper but electronic. Attractive "publications" will be available on the computer screen—publications which will look much better than today's electronic data bases.

By 1990, the "conversant computer" industry is expected to be a $1 billion market. This industry features two types of services. "Text-to-voice" enables a computer to read text aloud to the user. This will allow individuals to hear their electronic mail over the phone. "Voice-to-text" or voice-recognition capability will be available in the mid- to late-1990s. This technology will enable a computer to turn the spoken word directly into text without keyboard input. Voice-recognition systems will help open occupations which involve computer use to greater numbers of persons with disabilities.

Expert systems—computer programs which analyze data and draw conclusions without human intervention—are expected to play a growing role in business. Once regarded as exotic programs, they are now available in inexpensive, off-the-shelf versions. Even casual computer users can employ these programs to automate routine data analysis and decision making.

Artificial intelligence programs, which allow computers to perform higher-level reasoning tasks than do expert systems, will also be increasingly available in "natural language" (normal human speech) form. A $1 billion market in 1985, the artificial intelligence market is expected to grow to $4.2 billion by 1990.

Computer Usage. In some urban areas, the population penetration of "computer competence" is expected to approach 100 percent by the year 2000. Although only 18 percent of homes have personal computers today, 70 percent are expected to have them by the year 2000. In business, the ratio of workers to computers is expected to approach 1:1 by the year 2000. More than three-quarters of computers will be equipped to transmit data over phone lines.

Robotics

Once envisioned as a replacement for human workers, robot systems are being developed to work as tools, either independent of or guided by human beings. Improved productivity in the manufacturing sector is attributed in part to the increasing use of robots, which is expected to accelerate. Firms are automating U.S. factories as an alternative to establishing plants in low-wage countries. Robots can work faster than human beings without sacrificing precision and can thus free human workers for higher-level tasks. Robots are also likely to be used to make up

for labor shortages. Their use will constrain any further overall growth in manufacturing employment. The industry is expected to grow from $443 billion in 1985 to nearly $1 trillion by 1990.

Telecommunications

By and large, the cost of making a phone call continues to fall, and the capacity of phone lines continues to increase. These two developments are moving the nation's phone system toward convergence—the capacity to carry voice, data, and video signals simultaneously. This will increase the sophistication of available services. Some phone service now includes voice message storage, which does away with the need for answering machines; selective blocking of phone numbers; and special rings to identify for whom a call is placed. Future additions to phone service will include digitized videos that can be downloaded over the phone from any home VCR and touch-sensitive television sets that can be used to input data, which can then be transmitted over phone lines.

The technologies that support convergence include fiber optics, photonics, and digitization. Fiber optic phone lines transmit many times more information than the copper cables that reach across the nation. Virtually all switching stations have been converted to fiber optics, but it may take up to 15 years before the nation's phone system is entirely fiber optic. Photonics technology transmits information at the speed of light, rather than electronically. Fiber-optic cables that speed long-distance telephone calls are based on light-wave technology, as are compact discs that use laser beams to record and play sound. (In the 1990s, photonics will be at the heart of many new products, including high-speed computers that will use light, rather than electrons, to do their calculations.)

At the same time that fiber optic cable is being installed, phone service is being converted from analog (continuous signal) to digital (discrete pulses). Large cities are expected to be all-digital by 1995, with much of the rest of the country following by the year 2000. Digitization will allow voice, graphics, and data from a wide variety of sources to be transmitted, in the same digital mode, from one computer to another. This development will bring advanced data capabilities to the relatively small user, and will create some new communication patterns. Eventually, telecommunications will bring together electronic publishing, data base management, and marketing information systems, along with traditional publishing and advertising, to create a new vehicle for marketing goods and services. Long-standing efforts to create international digitization standards (ISDN) have been hampered by the development of alternative transmission channels (such as private networks or satellites) but are expected to be successful during the 1990s.

Facsimile

On the way to computerization, one detour has been the growth in popularity of the facsimile machine. A "fax" machine digitizes hard copy and sends it over phone lines to another fax machine anywhere in the world. Fax machines are showing up in cars (used with cellular phones) and in airports (credit-card-activated "public fax machines"), as well as in homes and small businesses. Their cost has dropped to under $1,000 for some models. Currently just under 2 million fax machines are in use in the United States. Fax machines which send and receive in color are being manufactured. "Fax boards" for

personal computers allow the computer to send messages to fax machines, and to receive fax messages as computer files.

Electronic Information Distribution

Electronic Mail. Today, "E-mail" conveys less than 2 percent of correspondence, but advances in computer communications and artificial intelligence will improve systems and make future growth likely. Sending documents electronically is faster and less expensive than overnight couriers, and electronic messages can take the place of many phone calls. Internal electronic mail systems are now being connected to public electronic mail services, expanding their use. Eventually, electronic mail, voice mail, and fax will be part of the same transmission system.

Electronic Banking. The use of automated teller machines and banking by personal computer is expected to become more widespread during the 1990s, particularly among small business and financial services firms.

Television

Cable Television. Nearly half of the nation's homes are wired for cable transmissions; by the year 2000, 70 percent are expected to be. At the same time, viewership of network television has fallen from about 58 percent of households in 1980 to about 45 percent in 1988. Cable TV makes up about 20 percent of all household viewing, up from 13 percent in 1984. Using satellites, U.S. cable networks also transmit their shows overseas (Cable News Network is available in 58 countries, for example).

Interactive Television. In the 1990s, interactive television (iTV) will appear on the market. iTV will allow viewers to modify television programs; they will be able to alter camera angles, customize exercise regimes, select educational programs for fast or slow learners, make purchases over the television, and bank by TV. By being able to interact with television in this way, viewers will gain more control over the kinds of entertainment and educational programming they watch.

HUMAN IMPACT OF TECHNOLOGICAL CHANGE

The technological changes discussed in the previous two chapters are likely to have profound effects on individuals and society. Several of those effects are discussed below.

Pace of Life

The pace of modern American life, already frenetic, is likely to get even more fast-paced as new technologies become commonplace. The car is becoming a rolling office, where calls can come in over the cellular phone and documents can be delivered via the car fax. Portable cellular phones allow individuals to make phone calls while walking. Home computers, linked via the phone system, allow co-workers or clients to send messages to a person's home. Fax machines mean that a report sent overseas can be responded to in minutes rather than in days. Newer computers and multi-tasking will accomplish tasks more quickly, but will also mean there are more tasks to do. "Float" time is disappearing, requiring faster reaction time. In addition, individuals in fast-paced professions increasingly view effective use of time not only as doing things quickly but also as doing more than one thing at a time. This quickening will be a source of stress to individuals.

Information Overload

Many observers note a dangerously widening breach between "information" and "knowledge." They argue that the "information explosion" includes a high proportion of information that is worthless. Others claim that once the new communications infrastructure is in place, the focus of information management will shift to developing new knowledge out of the vast amount of information available. Computer graphics and better database technology are part of the "infrastructure improvements" needed to improve comprehensibility, as is defining what we *need* to know rather than accepting all the information we can generate. In the long run, computer technology should ultimately increase the quality of knowledge held by average individuals who will have access to the world's treasures of knowledge via personal computers.

Leapfrogging

The rapid pace of change in information technology is upsetting conventional notions of how companies grow, and what size company it takes to offer sophisticated products. In the industrial era, only large companies could afford the capital investment to compete in the "high end" manufacturing industries such as autos and steel. The critical resource in emerging "high end" industries—such as software engineering and electronics—is knowledge, and capital requirements are proportionately lower when computers are the major capital equipment needed.

In many information-intensive industries, very small firms are able to compete successfully with very large firms. In many cases, small firms are created to exploit a new technological development; when they enter a new industry, they frequently leapfrog ahead of older firms who have to adapt existing structures and procedures to new competitive realities. This is true internationally as well; newly industrializing countries such as South Korea are leapfrogging more heavily industrialized nations, partly because they have been able to invest in the latest equipment rather than retool old equipment.

This phenomenon is likely to continue well into the 1990s. The implication for large firms is that advances in technology will spawn new competitors even in non-technologically based industries. The implication for small

firms is that they, too, can operate in a technologically sophisticated way, and generally will follow a different path to success than will a large firm.

The Role of the Home

Many more information services than in the past will be available in the home: education, shopping, and entertainment. The home is likely to become a somewhat different institution—not just a base from which to go out into the world, but also a place that is actively integrated with other institutions. Although people will probably receive in their homes some services for which they now go out, advanced information services will probably also increase people's interest in exploring new places. Some services that are likely to become home-based include banking, some health services (via two-way video and electronic monitoring), and shopping. In addition, as congestion on the nation's highways worsens and home-based technologies improve, more homes will become "electronic cottages," where service-sector workers will process information and transmit their work electronically to their employers.

Privacy

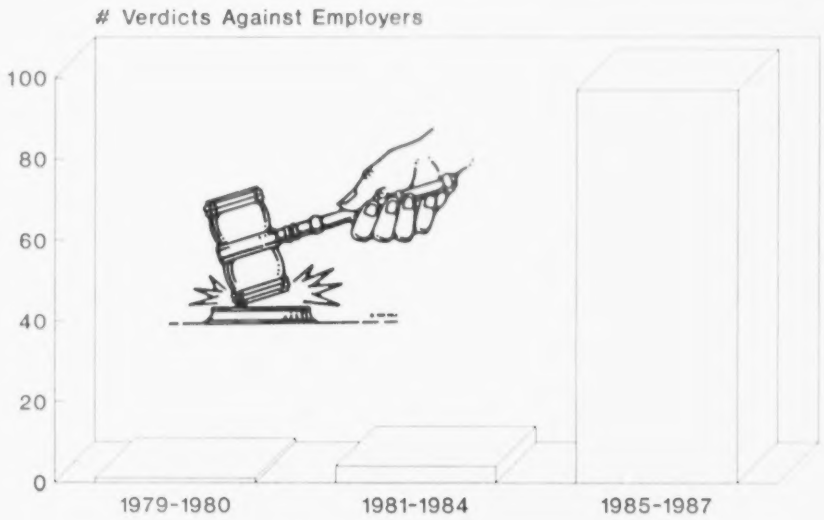
As more information about individuals is recorded electronically, there is rising concern about individual privacy: who has access to those data and under what conditions? This concern is also generated by breaches in the security of computer systems, some of which have been broken into by computer "hackers" or criminals. Errors in computer records such as credit reports are endemic, and correcting these errors is not always possible. The number of lawsuits against employers alleging violations of privacy has increased significantly. Federal and state legislation spelling out privacy rights for electronic information, as well as criminal penalties for misuse of that information, will probably be demanded by consumer groups in the future.

Technology Turn-Over Rate

The rapid pace of technological change has effects of its own. The "half-life" of an engineer's knowledge is about five years, making it difficult for the engineer to master more than a narrow specialty. The same situation occurs in medicine: 85 percent of the information in the computers at the National Institutes for Health is updated every five years. An integrated view of the promises and pitfalls of new technologies is difficult to achieve when advances take place so rapidly.

Likewise, because new products are being introduced to the market so quickly, a piece of equipment can be made obsolete before the rest of the system to support it is manufactured and before people are fully trained to use this equipment. This rapid pace of change can impose enormous costs, both in money and in productivity.

Increase in Privacy Lawsuits Sparked by Use of Technology to Monitor Behavior



Source: USA Today, September 4, 1987

TRENDS IN PHILANTHROPY

Trends in Philanthropy

.61

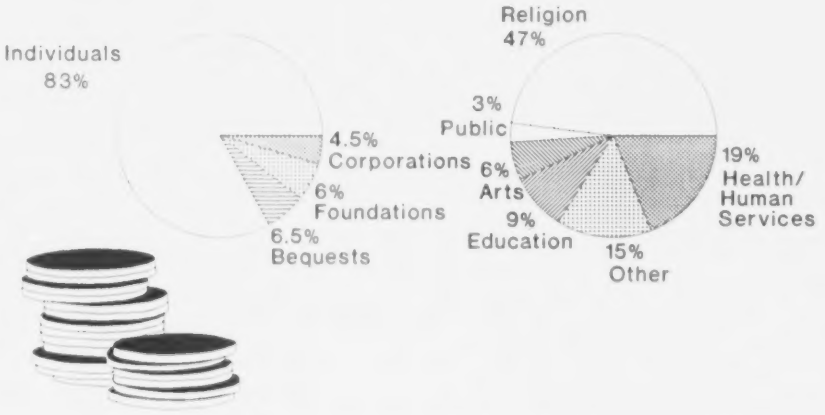
TRENDS IN PHILANTHROPY

Charitable organizations play a significant role in American society, according to 87 percent of the respondents in a 1988 poll conducted by The Gallup Organization for Independent Sector (a coalition of 650 corporations, foundations, and other nonprofits). Seventy-one percent of respondents said they believe that charities are needed more today than five years ago. On the question of whether charities spend their funds wisely, 45 percent think they do, 33 percent think they do not, and 22 percent are not sure. Those polled expressed more confidence in private education, federated campaigns, and health and social-services organizations than in all other major institutions, including Congress, organized labor, and big business.

Total Giving in 1988: $104.4 Billion

Where It Came From
Sources of Contributions

Where It Went
Beneficiaries of Contributions



Source: American Association of Fund Raising Counsel, 1989

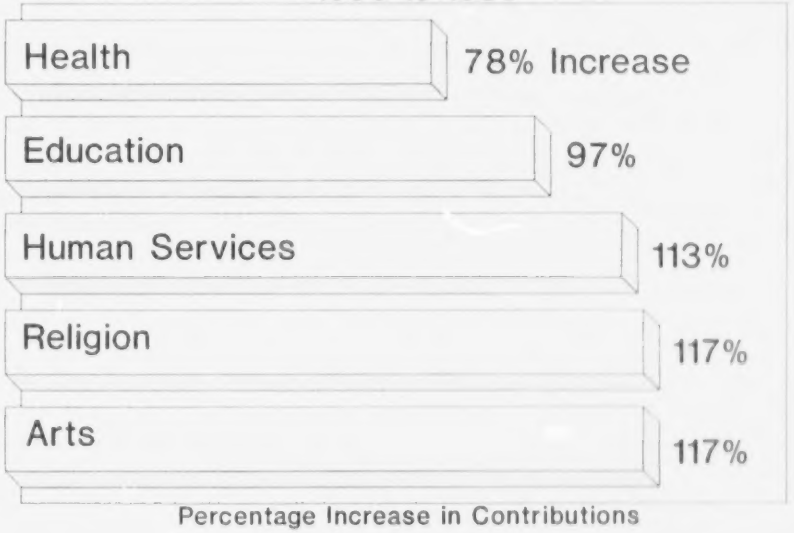
Giving

In 1988 estimated giving in the United States topped the $100 billion mark and reached an all-time high for a total of $104.4 billion, according to the American Association of Fund Raising Counsel (AAFRC). The increase in total giving (up 6.7 percent in 1988 over 1987) kept ahead of the inflation rate for the service sector, an inflation rate estimated at 4.8 percent by the Commerce Department.

Religious organizations remain the major recipients of charitable giving in the United States, followed by organizations that are involved with human services, education, health care, and the arts and culture.

Individuals continue to contribute the bulk of donations; their contributions were 83 percent of the total in 1988, up more than 7 percent over 1987. The growth in individual giving primarily reflected an increase in personal income, as well as a much stronger stock market in the last two months of 1988, according to the AAFRC. Bequests were up more than 3 percent in 1988 over 1987, a significant decline from the over 7 percent increase in 1987 over 1986.

Giving to Health Organizations Shows Slowest Percentage Increase
1980 to 1988



Source: American Association of Fund Raising Counsel, 1989

Low- and moderate-income people give a greater percentage of their money (and their time) to charity, according to The Gallup Organization's study for Independent Sector. Contributing households with incomes below $10,000 gave an average of 2.8 percent of their incomes to charity, whereas those with incomes between $50,000 and $75,000 gave 1.5 percent. Individuals with incomes over $100,000 gave 2.1 percent. Approximately 48 percent of total contributions in the families surveyed came from households with incomes below $30,000.

Grants by foundations (private and community, not corporate foundations) increased more than 4 percent in 1988 over 1987 (a decline from the 8 percent increase the prior year).

Corporate donations (including corporate foundation gifts) amounted to $4.8 billion in 1988, staying virtually the same as corporate donations contributed in 1986 and 1987. As a percentage of total giving, corporate gifts amounted to 4.5 percent in 1988, down from 4.8 percent in 1987 and 5.1 percent in 1986. Two major factors are cited as causes of the flattening of corporate contributions: the serious economic difficulties experienced by key industrial sectors and the flurry of corporate restructuring.

Corporate donations of noncash items (such as securities, products, and property and equipment) continue to increase, although the rate of increase is also on the decline.

Continuing a trend begun in 1978, education remained the major beneficiary of corporate giving. Corporate giving to precollege education is growing faster than corporate giving to colleges and universities; the former rose 52 percent between 1984 and 1986, whereas the latter rose only 40 percent.

Voluntarism

More than 45 percent of Americans volunteered in 1987, according to The Gallup Organization's survey for Independent Sector. The time that people spent in volunteer activity increased from 3.5 hours a week in 1985 to 4.7 hours a week in 1987. The incidence of "episodic volunteering"—giving time for a specific project—is also growing.

Volunteering is most prevalent among individuals aged 35 to 44 (54 percent of whom volunteer) and least common among Americans aged 74 and over (29 percent). Members of the white population are more likely to volunteer (48 percent) than blacks (28 percent) or Hispanics (27 percent). Most Americans volunteer with religious organizations or volunteer "informally" on their own. Also, there seems to be a positive relationship between giving and volunteering: households with a volunteer give more, on average, than households without a volunteer. And the amount contributed increases as the number of hours volunteered increases.

There is an enormous potential for increased voluntarism. In the study for Independent Sector, of the 75 percent of respondents who believed they should volunteer to help others, 50 percent had not volunteered in the past.

Liability Insurance. According to a November 1988 Gallup survey conducted for the American Society of Association Executives Foundation, nearly 20 percent of nonprofit organizations have had volunteers resign or withhold services because of fear of liability repercussions. At the same time, nonprofit directors' and officers' insurance premiums have risen an average of 155 percent since 1984; the higher rates have forced 14 percent of nonprofits to eliminate programs or services. In the Gallup survey, one in five board members report that the liability situation facing voluntary organizations has made

them more concerned about serving, and nearly half (49 percent) report that they see fewer volunteers willing to serve on boards of directors.

Youth Voluntarism as Curriculum. Up to 3,000 public schools, in addition to many private schools, now offer service programs as a required part of their curriculum or as an option. Educators say that most students who are involved in helping others become less concerned about themselves and more confident about their own abilities—changes that often carry over into their classroom work.

Colleges and universities are also adding volunteer service to student curricula. In 1988, for example, the state of California legislated volunteer service for students at its public universities. Under the Human Corps law, undergraduate and graduate students in California public universities are "strongly encouraged and expected, but not required" to provide 30 hours of community service yearly. Although the service is not mandatory, some colleges give academic credits to those students who perform the 30 hours of community service.

National Service. Congress is currently considering an array of bills for voluntary national service. The proposals range from establishing a Citizens Corps which would link educational benefits (such as loans and grants) to volunteer or military service, to smaller national service programs based on models such as the National Guard and state Conservation Corps. In addition, the Bush administration recently introduced legislation to create the YES to America Foundation, aimed primarily at middle- and high-school student volunteer service. President Bush also recently unveiled plans to create the "Points of Light Initiative," a new foundation that would seek to spur volunteer programs at the state and local level.

The goal of most of the programs is to acquaint America's young people with nonprofit organizations, as well as to reawaken the public spirit that started this nation. Critics of national service proposals fear that mandatory "voluntarism" will have little impact on a person's concept of his or her role in society and may, instead, bring volunteer service to be looked upon as a "chore."

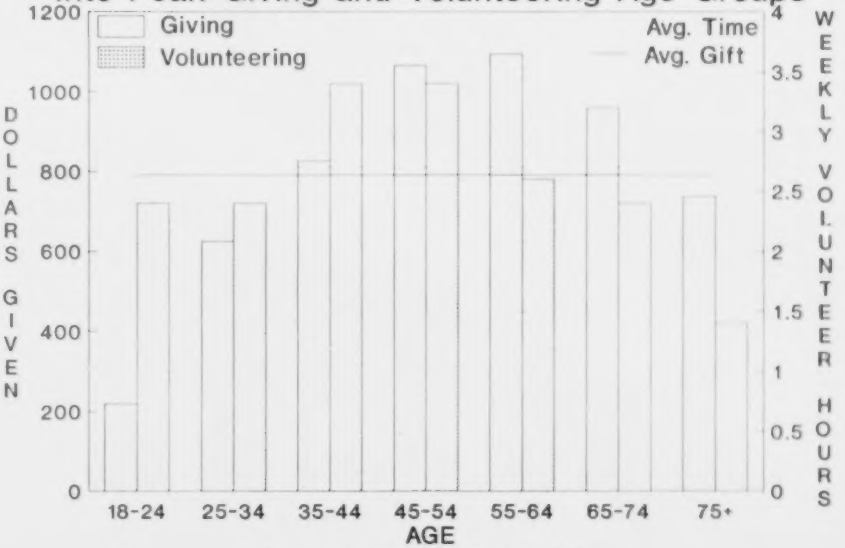
Golden Years Ahead for Giving and Voluntarism

In 1988, *Rolling Stone* magazine commissioned a poll of Americans aged 18 to 44. The survey revealed that, when asked how they would spend an extra hour each day if they were magically granted one, 45 percent of young Americans interviewed said they would pursue recreational activities; 26 percent said they would spend time with family and friends. Not one single person said he or she would spend the hour on community service. Asked to choose which two or three causes (from a list of 26) they would be most interested in becoming involved, interviewees chose only two in any significant numbers: campaigns against drunk driving (32 percent) and neighborhood crime watch (30 percent). However, 77 percent said the trend toward less involvement in community activities is a change for the worse.

Nonetheless, the president of *American Demographics* magazine, Peter Francese, believes the 1990s may be "golden years" for charitable giving and voluntarism as the huge numbers of college-educated baby boomers move into middle age. Baby boomers will move into the 35-to-44 and 45-to-54 age groups by the mid-1990s; these age groups are the only ones that give both time and money at above-average rates. Baby boomers in the older group already volunteer 42 percent more than the average adult; theirs is the highest rate of any age group. Another factor increasing the likelihood that baby boomers will give and volunteer at above-average levels is that they tend to be more highly educated than previous generations.

Baby boomers tend to prefer basic causes related to individual need, such as homelessness; they are more demanding about information and accountability; and they are less deferential to experts or people in authority.

Potential Golden Years Ahead for Charities
As Baby Boomers Move
Into Peak Giving and Volunteering Age Groups



Source: Independent Sector, 1988

SPECIAL TRENDS ANALYSIS

Children's Health

Self-Sufficiency

TREND: CHILDREN'S HEALTH

Definition:

Throughout most of this century, substantial improvements in children's health have occurred from one decade to the next. More recently, however, such gains have begun to erode. The net result has been endangerment to the health of America's children—a scenario that can be improved by reducing children's health risks and by increasing their access to health-care services.

Description:

A variety of forces—societal, cultural, technological, economic, and political—affect the overall health of America's children. The quality of children's health can be influenced by the impact of those forces on the multitude of factors comprising children's health. A discussion of some of these factors follows.

Access to Health Care. The largest health problem among the children of our nation is that health care often is not readily accessible. Perhaps the second-largest problem is that 12 million children are not covered by health insurance of any kind. That lack of coverage is often the key to all the other health problems encountered by children.

Prenatal Care. Second only to socioeconomic status, the prenatal care a woman receives is the most important determinant of the health of a child, according to the National Association of Children's Hospitals and Related Institutions (NACHRI). Yet, following a 10-year period of continuous improvement (from 1970 to 1980), the annually measured percentage of births to women who received prenatal care early in pregnancy dropped three times in the 1980s, according to the Children's Defense Fund. Children born to women who fail to receive prenatal care are three times more likely to die in infancy than those whose mothers receive comprehensive care. These children are also at greater risk of being born at low birthweight.

Infant Mortality. The nation's infant mortality rate—the number of babies per 1,000 who are born alive but who die before one year of age—fell to an all-time low of 10.4 per 1,000 live births in 1986, placing the nation 18th in the world, behind such countries as Spain, Singapore, and Hong Kong. And although the infant mortality rate for black Americans (18 per 1,000 live births) is twice that of white Americans (9.2 per 1,000 live births), the infant mortality rate for white Americans in 1986 was still higher than the rates in most Western European nations.

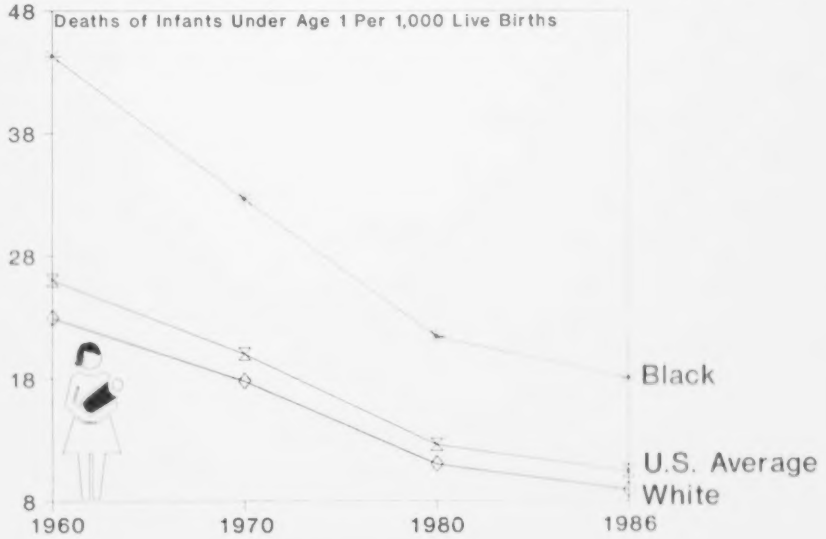
Pediatric Home Care. Increasingly, advances in neonatal technology are resulting in higher survival rates among prematurely born and handicapped infants. In 1987, 90 percent of very low-birthweight babies (babies weighing between 1,000 and 1,500 grams) survived, compared with less than 50 percent in 1961. Even more dramatic are the statistics on infants weighing under 1,000 grams at birth: their mortality rate is 52 percent, down from over 90 percent in 1961. With the development of home medical equipment, it is usually less expensive to treat many of these fragile infants at home than at the hospital. These advances are fueling a need for pediatric home-care programs and community support services to help families through what can be an emotional and financial crisis.

Immunizations. Millions of American children fail to receive immunizations that can protect them against preventable diseases such as polio, measles, and mumps. For example, immunization rates for children under two years of age have declined; meanwhile, cases of mumps and measles have risen. The Children's Defense Fund predicts that, if current immunization trends continue, nearly one in five children will not be fully protected against polio in the year 2000.

Pediatric AIDS. According to the federal Centers for Disease Control (CDC), nearly 1,300 children under age 13 have been diagnosed as having

Dramatic Improvement in U.S. Infant Mortality Rate

Black Infant Mortality Rate Remains Twice That of Whites



Source: U.S. National Center for Health Statistics, 1989

AIDS, and, of these, 56 percent have died. Sixty percent to 70 percent of children (under age 13) with AIDS die within two years of diagnosis. The CDC statistics do not include those children who, although infected with the human immunodeficiency virus (HIV) that causes AIDS, do not show full symptoms of AIDS. For every child who meets the CDC definition of HIV-infected, however, health experts estimate that at least another 2 to 10 children are actually infected with the virus. The CDC projects that by 1991 there will be at least 10,000 to 20,000 HIV-infected children—disproportionately poor and minority—in the United States. One in every 10 pediatric hospital beds will be occupied by a child with AIDS by 1991.

If the current trend of rising HIV-infection rates among children continues as it is expected, AIDS will become one of the five leading causes of death among children aged one to four by the period 1991 to 1993. Today, for children in that age group, AIDS is the ninth leading cause of death.

Crack Babies. Annually, an estimated 375,000 infants are exposed to health-threatening drugs because 1 in 10 mothers takes illegal drugs during pregnancy. Care of these infants—many of whom are "crack babies"—is currently straining the nation's hospital system. It costs $100,000 to care for a crack-addicted infant during the first three months of his or her life. Additionally, these babies are typically born with developmental deficiencies which make it harder for them to adapt to change, retain information, master language skills, and interact with other children. These children's special needs are likely to put increased strains on foster care, day care, public schools, and other social services in the future. Experts say the key to halting this epidemic is to provide more outreach and drug-treatment programs for future mothers.

Teenage Pregnancy. More than 1 million teenage girls in the United States become pregnant each year. Only half of those who become pregnant actually give birth. The rest suffer miscarriages or elect to have abortions. While 18- to 19-year-olds accounted for nearly two-thirds of the 1 million births in 1986, 179,000 births were to girls age 17 and under and 10,000 to girls age 14 and younger. According to NACHRI, of those teenagers who do become mothers, 90 percent choose to keep their children. More than half of all teen mothers are unmarried, although almost half do marry within 5 years after giving birth. (Because so many older unmarried women are having children, teenagers currently account for only 20 percent of single mothers versus 50 percent in the 1970s. Thus, the majority of out-of-wedlock births occur among women over age 20.) The pregnancy rate among black unwed teens is declining (down 15 percent since 1970)—while that for whites is rising (up 67 percent since 1970). However, the rate of pregnancy among black teenagers is still more than four times the rate for white teenagers.

Teen Suicide. The teen suicide rate has nearly doubled in the last two decades. Since 1969, the rate of suicides rose from 5.7 per 100,000 14- to 19-year-olds to the current 10.2 (per 100,000). One-fourth of today's adolescent boys and 42 percent of adolescent girls say they have seriously considered committing suicide at some point in their lives, according to a 1987 survey by three national health-care organizations. Eighteen percent of the girls and 11 percent of the boys reported actually trying to commit suicide.

(For a discussion of child and teen substance abuse and child and teen mental health, see the Special Trend section on Self-Sufficiency; for a discussion of child abuse, see the Crime chapter in the Social Trends section.)

Who Is Affected:

There are approximately 47 million children aged 12 and under in the United States in 1989. American teenagers number over 24 million. The number of pre-teenagers will remain steady through the year 2000. The number of teenagers will increase slightly to nearly 27 million in the year 2000.

Over the remainder of the century, the nation's child and teenage populations will become more ethnically diverse. By the year 2000, the total number of minority children (under 18) will increase by more than 25 percent and will constitute one-third of all children. The number of white, non-Hispanic children, in contrast, will increase by only two-tenths of one percent.

Children at Risk. Five subgroups of children are at greater risk for poor health, according to a 1989 study by the National Association of Children's Hospitals and Related Institutions. These are:

- ☐ *"Medically Homeless" Children.* The "medically homeless," as defined by NACHRI, include the 7 million children who do not receive routine medical care, those children in families that have lost their Medicaid benefits, and those children with inadequate or no health insurance.

- ☐ *Children of Low-Income Families.* Children of all ages in low-income families are at higher risk for many health problems, including inadequate prenatal care, low birthweight, births to a teenager, and child abuse and neglect. These children are also more likely to have a greater incidence of other factors often related to poor health, such as insufficient health insurance that often reduces access to necessary medical care; poor nutrition; inadequate housing, disrupted families, and lack of social support; problems of transportation which impede use of services; and lack of parental education.

- ☐ *Minority Children.* Black, Hispanic, and American Indian children are at greater risk for inadequate prenatal care, low birthweight, inadequate immunizations, and teenage pregnancy, while white children are at greater risk for suicide, motor vehicle accidents, and obesity.

- ☐ *Children of Teenage Mothers.* Ninety percent of teenage mothers choose not to give their children up for adoption. These children are at higher risk for low birthweight, accidents, congenital sexually transmitted diseases, and child abuse and neglect.

- ☐ *Chronically Ill Children.* Children with chronic illness are at greater risk for additional health problems. Between 10 percent and 15 percent of U.S. children have chronic illnesses of varying levels of severity. Children who are chronically ill require comprehensive health services that include visits to a regular physician, as well as to specialists; hospitalization; home health care; psychosocial services; dental, speech, occupational, and physical therapy; and other services such as respite care and day care. Families with chronically ill children often have difficulty obtaining and maintaining adequate private health insurance coverage. Because the expense of care for chronically ill children may be catastrophic, insurance coverage that is subject to lifetime limits can be depleted rapidly.

Opportunities:

The crisis in the health of the nation's children is a critical issue for United Way organizations. United Ways have numerous opportunities to better the status of children's health in America. These include advocacy, coalition building, program development, public education, and funding. United Ways can take the lead in convening concerned parties to review and recommend program planning and to ensure adequate systems are in place to connect the medically disadvantaged with the myriad of services they may need. The accomplishment of these opportunities will likely lead to improvement in the status of children's health, thereby increasing the status of one of the nation's most important resources—children.

Risks:

The failure to raise and sustain the health of the nation's children could have monumental consequences. The future viability of the nation depends on the vitality of its children and on their ability to be self-sufficient. Should the health status of American children not be improved, grave social and economic consequences—ranging from vastly increased health-care costs to lost income and taxes due to unemployment or underemployment of the medically disadvantaged—will likely result.

TREND: SELF-SUFFICIENCY

Definition:

Global economic competition and new technological developments are changing the nature of American jobs and the demands that will be made on the nation's workers. At the same time, indications are strong that America's current and future work force may not have the skills needed to sustain the United States' position in a global, high-technology work environment. In response, business, government, education, the voluntary sector, and individual Americans are beginning to lay the groundwork for cooperative efforts to close this skill gap. The efforts are geared at creating a more self-sufficient work force and, in the process, improving America's competitiveness in international markets.

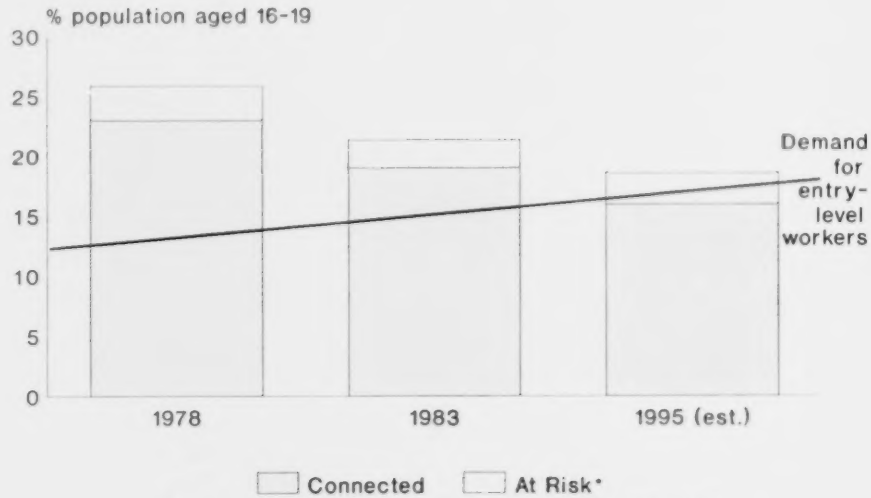
A self-sufficient work force is one in which (a) individuals have the skills to support themselves, (b) the pool of available skills is appropriate for the kinds of jobs being created, and (c) the overall skill level of the labor force is as good as or better than that in any other nation. Self-sufficiency includes efforts both to bring more workers into the labor force and to upgrade the skills of current and future workers. Self-sufficiency also requires that basic human needs are provided for; this includes adequate health insurance to ensure access to health care for the entire family. It also includes meeting the basic needs for food, clothing, and shelter for all Americans.

Description:

During the 1990s, the U.S. economy will create enough new jobs so that virtually every person who is qualified can have one. Therein lies a new paradox: the skills of the U.S. work force do not match those required in the jobs being created. The future growth of the U.S. economy will be slowed if employees do not have the necessary skills. Growth will also be slowed if there are not enough workers—a distinct possibility as the baby bust generation slows work force growth.

The emergence of self-sufficiency as a national issue represents a major recasting of American social and human-care issues in three senses. First, issues that have thus far been viewed as isolated problems (for example, the social problems of welfare dependency, persistent poverty among urban blacks, illiteracy, unemployment, child poverty, and worker displacement) are now being seen as part of a single problem—the problem of under-investment in the country's human resources. And integrated perspectives are likely to breed integrated solutions, which are more likely to succeed.

As Youth Population Shrinks, At-Risk* Youth Have Growing Place in Labor Force



Source: Education Commission on the States, 1985.

* The 10-15% of youth who are disadvantaged and/or troubled, and whose propsects for successful job-holding are bleak without extra assistance.

Second, viewing human-care problems as issues of self-sufficiency encourages a long-range perspective—a "generational" frame of reference—from which to shape solutions. The issue of self-sufficiency will probably last at least one generation: fully one-quarter of the next generation of workers are children growing up amid the deprivations of poverty. Only a long-term view can address such long-term problems.

Finally, emphasis is distinctly shifting away from broadly available cash assistance and turning toward helping the poor to become self-supporting. This shift offers a sound, practical basis on which poverty in the United States can be significantly reduced.

Who Is Affected:

Nonworkers often face barriers—such as illiteracy, poor job skills, lack of transportation, and lack of day care—that prevent them from working. Helping to overcome these barriers in a concerted way will help to increase their self-sufficiency. There are approximately 9 million unemployed and an estimated 10 million to 20 million discouraged workers who have dropped out of the labor force; these figures do not include those adults who have never even entered the labor force.

Federal and state welfare reform efforts are targeting the approximately one-half million long-term welfare recipients—chiefly single mothers and their children—for intensive work to remove barriers to self-sufficiency. (One in three welfare recipients is illiterate, for example.) By 1994, state-run programs will provide long-term welfare recipients with job training and job readiness programs, low-cost day care, and Medicare benefits during the first year of work. The welfare system, then, is shifting its purpose from maintaining income to helping recipients enter the labor force.

Self-sufficiency is also an issue for those already in the labor force. *Parents* who work need quality, affordable dependent care so they do not have to choose between working and caring for children or elderly parents. By 1995, 81 percent of women aged 35 to 44 will be employed or seeking work, up from 64 percent in the early 1980s. Already, half of all women with children under age 1 are in the work force, and one-quarter of mothers at home—1.7 million women—say they would work if they could find good child care at a reasonable price.

Older workers and retirees need jobs whose schedules and substance invite them to continue working. Only 31 percent of Americans surveyed indicated that they want to retire at age 65, and one-third of retirees say they wish they hadn't retired. Businesses are increasingly drawing on the experience of older Americans through part-time and consulting arrangements, a trend that is expected to continue.

Laid-off employees need better help in retraining for new careers, finding new jobs, or setting up their own businesses. Tougher global competition, rapidly changing products and technology, and leveraged buyouts have increased the vulnerability of American workers to losing their jobs. In the 1980s, 5.1 million workers were laid off because of restructuring. The two groups most likely to be affected are managers, whose ranks will thin as companies cut staffing layers, and workers whose skills are outdated. All workers need to be prepared to learn new skills, change jobs with ease and confidence, and keep abreast not only of growth and decline in their current fields but also of newly emerging employment opportunities. An estimated 75 percent of people who are currently working will need retraining by the year 2000.

Children are the key to self-sufficiency in the future. The growing ranks of poor children—one out of every four children is growing up in poverty—indicate that the problems of self-sufficiency will not diminish soon. Prenatal care, Head Start, after-school enrichment programs, and career guidance are all ways of addressing the issue of children's self-sufficiency and of giving more of them a good start in life. In addition, the quality of education being provided by American schools and institutions of higher learning will make a difference to children and thus to the nation's future.

The Role of Government:

Government will be an influence, though not the only influence, on self-sufficiency. With the budget deficit constraining the federal government from undertaking anything but modest new social programs, state governments, the private and voluntary sectors, and new business ventures will increasingly shape solutions. Some of the solutions now being proposed call for changes in government policies to enhance self-sufficiency. These changes include pension portability (the ability to carry pension benefits when one changes jobs, instead of losing the benefits) and reorienting the unemployment insurance system to pay for retraining or starting a new business (and not be restricted simply to income maintenance). State governments will oversee the implementation of welfare reform programs and reshape their welfare programs to encourage job readiness and job holding.

Social and Human-Service Components:

The voluntary sector's role in programs to increase the self-sufficiency of Americans will be a large and varied one. Efforts toward increasing self-sufficiency can be as varied as an individual's needs. Some may involve building stronger links between service components (such as child-care subsidies for working mothers when they leave the welfare system). Others may be one-time efforts. Above all, social services will increasingly be personalized to the needs of the individual, rather than directed at the masses.

The major services required to increase self-sufficiency are discussed below:

The Basics: Food, Clothing, Shelter. A stable life is unachievable without adequate food, proper clothing, and affordable housing. It is not uncommon for lower-income families to spend well over half their incomes on housing, leaving very little for the other necessities of food and clothing. Low-income housing is in short supply—an estimated 3 million units less than demand. By the year 2000, this shortage may increase to 8 million units representing housing for 18 million people. Exacerbating this shortage is the expected loss of over 1 million subsidized apartments to the private market when use contracts with the federal government expire.

Co-housing, non-market financing mechanisms, and voucher programs are parts of the housing solution for the 1990s; the issue of affordable, stable housing, however, is likely to remain a challenge during that decade.

Health Care. Access to adequate health care for the entire family, which often depends on health insurance, is a key element to self-sufficiency. Adequate health care includes services for mental health problems, personal counseling, substance abuse prevention, and wellness education.

- *The Medically Indigent.* Over 30 million Americans—15 percent of the U.S. population—have no health insurance, according to the Health Insurance Association of America. The number is expected to continue to rise steadily. The uninsured are 77 percent white, 15 percent black, and 6 percent Hispanic, according to the federal Department of Health and Human Services. An additional 50 million Americans have inadequate health insurance (their health-care policies do not cover major health expenses) and are vulnerable to financial hardship if a catastrophic illness should develop. Studies have shown that people who are at high risk of disease are often those least likely to obtain preventive care because they lack health insurance. Conversely, the majority of Americans who receive preventive health-care screening are those at least risk of developing disease.

  Two-thirds of the nation's uninsured are adults (one-third are children). Nearly two-thirds of the uninsured adults are in the labor force, yet 85 percent of these workers earn less than $10,000 per year. Few can afford to buy individual insurance coverage for their families, and they are not eligible for Medicaid.

- *Substance Abuse.* More than 18 million adults in the United States are problem drinkers (consuming 14 or more drinks per week). Two-thirds of those adults (12.1 million) have symptoms of alcoholism—a record number, and an increase of more than 8 percent since 1980. One-third of the problem drinkers are women, mostly young adults (aged 18 to 34) who work outside the home. Projections show that among people aged 35 and older, between now and 1995 the number of male and female alcoholics will rise.

Growing numbers of young people are also being affected by alcoholism. Nearly 5 million adolescents, or 3 in every 10, have drinking problems. And several studies show that children are beginning to drink at an earlier age than ever before, some beginning to drink alcoholic beverages at ages as young as 10.

Illegal drug use in America also continues to be a problem. Cocaine is the biggest problem: consumption has doubled since 1982. Each month, some 5.8 million Americans use cocaine. Another 500,000 are thought to be heroin addicts. In addition, approximately 18 million Americans use marijuana at least once a month. The number who admit to having tried marijuana at least once is much higher.

More than one in three high school students reports he or she has experimented with illegal drugs. The percentage of students using drugs by the sixth grade has tripled since 1975. Grade-school students—as young as 10 years old—are being arrested for selling illegal drugs. Student drug dealers report selling to students as young as seven years old.

☐ *Mental Health.* Nearly 13 percent of American adults (aged 18 and over) suffer from some type of mental illness, and more than one-fifth of American adults can expect to develop a psychiatric disorder at some time, according to the National Institute of Mental Health (NIMH). NIMH reports that only about one person in five suffering from a mental illness is being treated by doctors.

At least 7.5 million children and adolescents in the United States—about 12 percent of all children and adolescents—suffer from a mental disorder, according to three national mental health associations. Only one in three of the children who need mental-health services actually receive those services. The majority of children who do not receive services get worse instead of better. These "invisible children" who are not getting help commonly have multiple problems, such as emotional disturbance, poor academic records, and disorganized family structures. Thus, their needs usually cannot be addressed by a single program or agency but require a coordination of services.

Basic Skills Training. As the skill level of American jobs increases, the skill level of the work force will have to rise as well. It will be increasingly difficult to be illiterate and remain employed, and many of those whose skills are primarily manual will need to increase their communication and analytical skills to improve their employability.

☐ *Literacy.* Between 23 million and 28 million Americans over age 17 are functionally illiterate. They are not able to apply the skills of reading and writing to everyday tasks such as understanding a bus schedule or looking up a number in a telephone book. Another 45 million are considered barely competent in basic skills. Thus, more than 68 million American adults—nearly one out of every three—are illiterate to a serious degree. The number of seriously illiterate adults is growing annually by more than 2 million. A disproportionately high percentage (56 percent) of Hispanic adults are considered functionally illiterate, compared to 44 percent of black adults and 16 percent of white adults.

Illiteracy is not simply the result of inadequate or insufficient education. It can result from hearing, eye, and other physical disorders, as well as from emotional trauma. Often the result of undetected learning disabilities—as well as the result of social problems and language difficulties such as being non-English-speaking—illiteracy causes many people to drop out of school. Inadequate literacy skills can lead to unemployment, welfare dependency, crime, and adolescent pregnancy.

☐ *Basic Skills.* International comparisons continue to show the American work force to be deficient in mathematics and science knowledge as compared with other nations. Yet many jobs will require higher-level analytical skills to use increasingly sophisticated computer-based machinery. Other basic skills needed at the workplace are productive work habits, good English skills, and good communications skills. Business now invests $210 billion annually—one-third for remedial education—to train workers. A well-educated work force highly proficient in technical skills has been one factor responsible for the recent economic successes in Japan and Korea.

Child Care. Child-care availability has not kept pace with the demand from working parents. In fact, for many low- and moderate-income families, the family is better off if the mother does not work, because child-care expenses are so high. Women attempting to leave the welfare system for paid employment generally need subsidized child care in order not to jeopardize their family's well-being.

Many efforts have been made to resolve child-care issues. More than half of all businesses employing 10 or more people offer some form of child-care assistance—most commonly, flexible hours to accommodate the parents' schedules. Employer-subsidized child care is now available to 4 percent of full-time workers, up from 1 percent in 1985. And many school systems and community centers have instituted child-care programs.

But despite these efforts, the scarcity of child-care centers, their high cost, the question of licensing, and other such problems regarding child-care arrangements continue to be troublesome for many families—both for working parents and for parents who are students. Critically needed infant care is in scarce supply. Currently, 46 percent of preschool children have mothers in the work force (29 percent employed full-time, 17 percent employed part-time); this proportion is projected to reach 70 percent by the year 2000. Programs for older children are also critically needed. The estimated number of latchkey children—children who return home alone after school and have no adult supervision until a parent returns from work—varies widely. According to the Children's Defense Fund, there are between 5 million and 10 million latchkey children, considerably more than the U.S. Census Bureau's estimate of 2 million.

Transportation. Most of the job growth in the 1990s, as in the 1980s, will take place in the suburbs, not in the cities. Many of these suburban areas have labor shortages which unemployed residents of nearby cities could fill if they could get to the jobs. High housing costs generally limit the availability of low-income housing in the suburbs. Most of the nation's municipal public transportation systems were designed as feeder systems from suburban housing areas to urban office buildings; they often do not work well in reverse. Private transportation systems (often run by companies for their own workers), small feeder bus lines, and supplemental transportation provided by the nonprofit sector will be elements of an overall solution to this problem.

Opportunities:

For the United Way system, the emergence of the self-sufficiency issue presents numerous opportunities:

- ☐ To help move a good number of those who have been at the margin of society into the mainstream.
- ☐ To shape what many observers see as a resurgence of social concern by Americans into an effective assault on poverty and deprivation.
- ☐ To help build a strong American future. Many leaders feel the nation is threatened, not so much by the trade deficit or budget deficit but by the "social deficit" resulting from the nation's failure to adequately invest in its human resources.

Risks:

Failure to effectively address the nation's human-resource problems could limit the ability of many Americans to become self-supporting. This diminishes the possibilities for their own lives and for the nation's life as well. Their energy will be missed as a contribution to the national economy, and they are likely to need social services at a time when both government and voluntary sector resources are strained. A two-tiered society could emerge, with increasing numbers of Americans falling or dropping out of the employment system because they lack the skills or information without which they cannot become self-reliant.

In addition, if American firms are unable to find enough workers at home for higher-skilled jobs, those jobs may be lost to other nations with better-educated work forces. Poorly skilled workers are unproductive and costly; companies may increasingly design operations around robotics technology in the absence of reliable low-skilled labor. The U.S. wage scale remains one of the highest in the world, and that standard can be maintained only if the skill level of the nation's workers remains high.

ADDITIONAL RESOURCES AVAILABLE THROUGH UNITED WAY OF AMERICA

The United Way of America resources listed below may be helpful for assessing trends and adopting appropriate strategies. These publications, videos, slide shows, and graphics may be obtained from the Sales Service Department. An order form for all the listed resources is included following the product descriptions.

Publications

American Health Care: A System in Crisis
A comprehensive report summarizing the status of the nation's health-care system.

Competitive Marketing: A Guide for Nonprofits
A guide to help United Ways and other nonprofits understand what marketing is and how to initiate marketing in their own organizations.

The Future World of Work: Looking Toward the Year 2000
An environmental scan on the workplace that identifies eight workplace trends that could significantly affect United Way programs and operations. Also identifies four additional trends that, although not as immediately critical to United Way's role in the workplace, merit close monitoring.

Illiteracy: A Critical Issue for United Ways
A special report that illustrates how illiteracy is connected to many of the social issues United Ways currently address and presents possible solutions for community problem solving with respect to this issue.

Needs Assessment: The State of the Art—A Guide for Planners, Managers, and Funders of Health and Human-Care Services
A practical and comprehensive guide for conducting research on community needs. Summarizes current research and materials.

Strategic Management and United Way
A series of eight booklets that explain how to develop and implement a strategic management program. Topics range from how to perform a local environmental analysis and organizational assessment to how to implement a strategic plan.

Tapping Into New Markets Retirees: A Profile of the 55-and-Over Market
A comprehensive report covering the demographic, economic, and psychographic data and trends on the 55-and-over market that will have important implications for strategic planning.

Volunteering and United Way
A profile of the community involvement of Americans, this report provides an overview of the volunteer market in America, as well as an overview of those who volunteer for United Way.

Videotapes

United Way and You
United Way of America's video series on contemporary issues. There are currently 16 programs available covering the following topics: dropouts, unemployment, stress, homelessness, aging, kids and drugs, day care, superwomen, illiteracy, teenagers, teen pregnancy, latchkey kids, the changing American family, early retirement, information and referral services, and volunteering.

What Lies Ahead: Countdown to the 21st Century
A 15-minute videotape presentation highlighting many of the trends included in the *What Lies Ahead: Countdown to the 21st Century* report. This video focuses on the role of the American people in making the nation's future a bright one.

Slide Shows

The Future World of Work: Looking Toward the Year 2000
The graphic illustrations in *The Future World of Work* are available in multicolor slides. Additional word slides summarize key points from the text. Packaged as a complete slide show with an accompanying script, this is available for use in presentations to your key audiences.

What Lies Ahead: Countdown to the 21st Century
A slide show consisting of multicolor slides of all charts and graphs included in *What Lies Ahead: Countdown to the 21st Century* is available. Completing the slide show are word slides that summarize trends and introduce the main sections of the show. Also included is a script, which details every slide. The script makes it easy for organizations to tailor the slide presentation to meet the particular needs of each of their constituencies.

Large-Format Graphics

The Future World of Work: Looking Toward the Year 2000
Reproductions of the graphic illustrations in *The Future World of Work*, as well as the word slides in the slide show, are available in large (8½″ × 11″), black-and-white format. These can be used to create overhead transparencies or to illustrate trends being examined in your own community or organization.

What Lies Ahead: Countdown to the 21st Century
All of the charts and graphs in *What Lies Ahead: Countdown to the 21st Century*, as well as the word slides in the slide show, are available in large (8½″ × 11″), black-and-white format. These graphics may be used to create overhead transparencies or to illustrate your organization's scan report.

In addition to the above, United Way of America's environmental analysis data base, *Soundings*, is available via the Human Care Network. Composed of abstracts of articles from a variety of publications, *Soundings* covers topics affecting how a United Way does business. Five broad subject areas are covered: social, economic, political, technological, and philanthropic. For additional information on accessing *Soundings*, contact United Way of America's Information Services and Technology Division.

ORDER FORM

Please send the completed order form to:
United Way of America
Attention: Sales Service Department
701 North Fairfax Street
Alexandria, Virginia 22314-2045

Publications

American Health Care: A System in Crisis

_____ copies at $3 each* (USPO614)

Competitive Marketing: A Guide for Nonprofits

_____ copies at $20 each* (USPO579)

The Future World of Work: Looking Toward the Year 2000

_____ copies at $10 each for United Ways* (USPO590)

_____ copies at $15 each for other organizations (USPO590N)

Illiteracy: A Critical Issue for United Ways

_____ copies at $2 each* (UC10636)

Needs Assessment: The State of the Art

_____ copies at $12 each* (UPSO344)

Strategic Management and United Way

_____ sets (entire series of eight booklets) at $100.00 per set* (USPO524)

Tapping Into New Markets: Retirees: A Profile of the 55-and-Over Market

_____ copies at $10 each* (USPO613)

Volunteering and United Way

_____ copies at $10 each* (USPO626)

What Lies Ahead: Countdown to the 21st Century

_____ copies at $10 each for United Ways* (USPO631)

_____ copies at $20 each for other organizations (USPO631N)

Videotapes

United Way and You
For pricing and ordering information, please contact Don Struke, United Way Productions, at (703) 683-7863.

What Lies Ahead: Countdown to the 21st Century Videotape

_____ tapes at $100 each for United Ways* (USPO635)

_____ tapes at $250 each for other organizations (USPO635N)
Specify format: ☐ VHS ☐ ¾"

Slide Shows

The Future World of Work: Looking Toward the Year 2000

_____ sets at $85 for United Ways* (USPO589)

_____ sets at $85 for other organizations (USPO589N)

What Lies Ahead: Countdown to the 21st Century

_____ sets at $85 for United Ways* (USPO633)

_____ sets at $85 for other organizations (USPO633N)

Large-Format Graphics

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to care for one another.

of America

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